UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1999

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____ to _____.

Commission File No. 1-13199

SL GREEN REALTY CORP.
(Exact name of registrant as specified in its charter)

Maryland	13-3956755
State or other jurisdiction incorporation or organization)	(I.R.S. Employer of Identification No.)

420 Lexington Avenue, New York, New York 10170
(Address of principal executive offices - zip code)

(212) 594-2700
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock $.01 par value	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the restraint was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days Yes |X| No |_|.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of March 9, 2000, there were 24,229,997 shares of the Registrant's common stock outstanding. The aggregate market value of common stock held by non-affiliates of the Registrant (22,994,581 shares) at March 9, 2000, was $513,066,589. The aggregate market value was calculated by using the closing price of the stock as of that date on the New York Stock Exchange.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the Annual Stockholders' Meeting to be held May 16, 2000 are incorporated by reference into Part III.

SL GREEN REALTY CORP.

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THE "COMPANY" MEANS SL GREEN REALTY CORP., A MARYLAND CORPORATION, AND ONE OR MORE OF ITS SUBSIDIARIES (INCLUDING SL GREEN OPERATING PARTNERSHIP, L.P.), AND THE PREDECESSORS THEREOF (THE "SL GREEN PREDECESSOR") OR, AS THE CONTEXT MAY REQUIRE, SL GREEN REALTY CORP. ONLY OR SL GREEN OPERATING PARTNERSHIP, L.P. ONLY AND (ii) "STEPHEN L. GREEN PROPERTIES." MEANS SL GREEN PROPERTIES, INC., A NEW YORK CORPORATION, AS WELL AS THE AFFILIATED PARTNERSHIPS AND OTHER ENTITIES THROUGH WHICH STEPHEN L. GREEN HAS HISTORICALLY CONDUCTED COMMERCIAL REAL ESTATE ACTIVITIES.

INFORMATION CONTAINED IN THIS FINANCIAL REPORT CONTAINS "FORWARD-LOOKING STATEMENTS" RELATING TO, WITHOUT LIMITATION, FUTURE ECONOMIC PERFORMANCE, PLANS AND OBJECTIVES OF MANAGEMENT FOR FUTURE OPERATIONS AND PROJECTIONS OF REVENUE AND OTHER FINANCIAL ITEMS, WHICH CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "SHOULD," "EXPECT," "ANTICIPATE," "ESTIMATE" OR "FACTORS THAT MAY INFLUENCE RESULTS AND ACCURACY OF FORWARD LOOKING STATEMENTS" AND ELSEWHERE IDENTIFY IMPORTANT FACTORS WITH RESPECT TO SUCH FORWARD-LOOKING STATEMENTS, INCLUDING CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE IN SUCH FORWARD-LOOKING STATEMENTS.

PART I

ITEM 1. BUSINESS

GENERAL

The Company is a self-managed real estate investment trust ("REIT") with in-house capabilities in property management, development, construction and leasing and was formed in June 1997 for the purpose of continuing the commercial real estate business of S. L. Green Properties, Inc. For more than 19 years, S. L. Green Properties had been engaged in the business of owning, managing, leasing, acquiring and repositioning Class B office properties in Manhattan, a borough of New York City ("Manhattan"). As of December 31, 1999, the Company's portfolio consisted of 22 Class B commercial properties encompassing approximately 7.6 million rentable square feet located primarily in midtown Manhattan (the "Properties"). The Company's wholly-owned interests in the Properties represent fee ownership (18), including ownership in condominium units, leasehold ownership (2) and operating sublease ownership (2). Pursuant to the operating sublease arrangements, we, as tenant under the operating sublease, perform the functions traditionally performed by landlords with respect to our subtenants. We are responsible for not only collecting rent from our subtenants, but also maintaining the property and paying expenses relating to the property. As of December 31, 1999, the weighted average occupancy (total occupied square feet divided by total available square feet) of the Properties was 97%. The Company's portfolio also includes ownership interests in unconsolidated joint ventures which own two Class B office properties in Manhattan, encompassing approximately 1.0 million rentable square feet. In addition, the Company continues to manage six office properties owned by third-parties and affiliated companies encompassing approximately 1.6 million rentable square feet.

S. L. Green Properties was founded in 1980 by Stephen L. Green, its Chairman, and Chief Executive Officer. Since that time, S. L. Green Properties became a full service, fully integrated real estate company. Prior to the Company's initial public offering (the "Offering" or "IPO") in August 1997, S. L. Green Properties had been involved in the acquisition of 31 Class B office properties in Manhattan containing approximately four million square feet and the management of 50 Class B office properties in Manhattan containing approximately 10.5 million square feet.

There are numerous office properties that compete with the Company in attracting tenants and numerous companies that compete in selecting properties for acquisition.

The Company's corporate offices are located in midtown Manhattan at 420 Lexington Avenue, New York, New York 10170. The Company's corporate staff consists of 85 persons, including 56 professionals experienced in all aspects of commercial real estate. The Company can be contacted at (212) 594-2700 or visit the Company's website at www.slgreen.com.

The Company's primary business objective is to maximize total return to shareholders through growth in distributable cash flow and appreciation in the value of its assets. The Company plans to achieve this objective by assembling the most compelling portfolio of Class B Manhattan office properties through acquisition and repositioning and by capitalizing on the growth opportunities described below.

FORMATION AND INITIAL PUBLIC OFFERING

In connection with the Company's IPO the Operating Partnership received a contribution of interests in real estate properties as well as 95% of the economic non-voting interest in the management, leasing and construction companies (the "Service Corporation"). The Company is organized so as to qualify and has elected to qualify as a REIT under the Internal Revenue Code of 1986, as amended.

The authorized capital stock of the Company consists of 200 million shares of capital stock, $.01 par value, of which the Company has authorized the issuance of up to 100 million shares of Common Stock, $.01 par value per share, 75 million shares of Excess Stock, at $.01 par value per share, and 25 million shares of Preferred Stock, par value $.01 per share.

INITIAL PUBLIC OFFERING

On August 20, 1997, the Company issued 11.615 million shares of its Common Stock (including the underwriters' over-allotment option of 1.52 million shares) to the public through the Offering. Concurrent with the consummation of the Offering, the Company issued 38,094 shares of restricted common stock pursuant to stock loans and 85,600 shares of restricted common stock to a financial advisor. In addition, the Company previously issued to its executive officers approximately 553,616 shares, as founders' shares. The net cash proceeds received by the Company from the Offering (after deducting underwriting discounts) was $228.7 million.

Concurrent with the consummation of the Offering, the Company and the Operating Partnership, together with the partners and members of affiliated partnerships of the SL Green Predecessor and other parties which held ownership interests in the properties contributed to the Operating Partnership (collectively, the "Participants"), engaged in certain formation transactions (the "Formation Transactions").

MAY 1998 PUBLIC OFFERINGS

On May 12, 1998 the Company completed the sale of 11.5 million shares of Common Stock and 4.6 million share of 8% Preferred Income Equity Redeemable Shares with a mandatory liquidation preference of $25.00 per share (the "PIERS"). Gross proceeds from these equity offerings ($353 million, net of underwriter's discount) were used principally to repay the Acquisition Facility (see Item 1 - Financing Activity) and acquire additional properties. These offerings resulted in the reduction of continuing investor's interest in the Operating Partnership from 16.2% to 9.2%.

SUMMARY OF OFFERINGS

At December 31, 1999 the Operating Partnership had 26,612,273 outstanding partnership units. These outstanding units were the result of (i) 23,115,000 units issued to the Company in exchange for the net proceeds from the Company's initial and secondary public offering of 23,115,000 common shares, (ii) 2,383,284 units representing 9.2% of the total units outstanding were issued for the contribution of interests in the properties owned by S.L. Green Properties Inc. immediately prior to the IPO and 100% (representing 95% of the economic interest) of the non-voting common stock of the Service Corporation (iii) 44,772 units issued for partial consideration for the 50% fee interest in the property located at 711 Third Avenue in July 1998 and (iv) the issuance of 1,069,217 units underlying common shares of the Company previously issued to management and a Company financial advisor. The Company's management and continuing investors own 3,411,672 units and common stock or 12.8% of the common equity. Pursuant to the terms of the Operating Partnership's partnership agreement, the units issued to the Company's management and continuing investors at the IPO may not, for up to two years from the IPO date, transfer any of their rights or redeem their units as a limited partner without the consent of the Company.

Substantially all of the Company's assets are held by, and all of its operations are conducted through, the Operating Partnership, a Delaware limited partnership. The Company is the sole managing general partner of the Operating Partnership. All of the management and leasing operations with respect to the Properties is conducted through the SL Green Management LLC (the "Management LLC"). The operating partnership owns 100% interest in Management LLC.

THE SERVICE CORPORATION

In order to maintain the Company's qualifications as a REIT while realizing income from management, leasing, tenant representation and construction contracts with third parties, all of these service operations with respect to properties in which the Company will not own 100% of the interest are conducted through the Service Corporation. The Company, through the Operating Partnership, owns 100% of the non-voting common stock (representing 95% of the total equity) of the Service Corporation. Through dividends on its equity interest, the Operating Partnership expects to receive substantially all of the cash flow from the Service Corporation's operations. All of the voting common stock of the Service Corporation (representing 5% of the total equity) is held by the Service Corporation LLC. This controlling interest gives the Service Corporation LLC the power to elect all directors of the Service Corporation.

MANHATTAN OFFICE MARKET BACKGROUND

The term "Class B" is generally used in the Manhattan office market to describe office properties which are more than 25 years old but which are in good physical condition, enjoy widespread acceptance by high-quality tenants and are situated in desirable locations in Manhattan. Class B office properties can be distinguished from Class A properties in that Class A properties are generally newer properties with higher finishes and obtain the highest rental rates within their markets.

A variety of tenants who do not require, desire or cannot afford Class A space are attracted to Class B office properties due to their prime locations, excellent amenities, distinguished architecture and relatively less expensive rental rates. Class B office space has historically attracted many smaller growth oriented firms and has played a critical role in satisfying the space requirements of particular industry groups in Manhattan, such as the advertising, apparel, business services, engineering, not-for-profit, "new media" and publishing industries. In addition, several areas of Manhattan, including many in which particular trades or industries traditionally congregate, are dominated by Class B office space and contain no or very limited Class A office space. Examples of such areas include the Garment District (where four of the Properties are located), the Flatiron District (where one Property is located), the areas immediately south and north of Houston Street , Chelsea (where one Property is located), and the area surrounding the United Nations ("UN") (where one Property is located). Businesses significantly concentrated in certain of these areas include those in the following industries: "new media", garment, apparel, toy, jewelry, interior decoration, antiques, giftware, and UN-related businesses. The concentration of businesses creates strong demand for the available Class B office space in those locations. By way of example, some of the tenants that currently occupy space in Company owned properties include The City of New York, BMW of Manhattan, Inc., Metro North, New York Life Insurance Company, St. Luke's Roosevelt Hospital, CNNfn, Parade Publications, Dow Jones, Crain Communications, Ann Taylor, Escada, Cowles Business Media, Kallir, Philips, Ross Inc., Bank Leumi, MCI International, New York Presbyterian Hospital, Newbridge Communications, Ross Stores, UNICEF, and Bell Atlantic.

The Company's management team has developed a comprehensive knowledge of the Manhattan Class B office market, an extensive network of tenant and other business relationships and experience in acquiring underperforming office properties and repositioning them into profitable Class B properties through intensive full service management and leasing efforts.

The Company believes that the recovery of the New York commercial real estate market from the downturn of the late 1980s and early 1990s combined with the ongoing strength of the New York City economy creates an attractive environment for owning, operating and acquiring Class B office properties in Manhattan.

GROWTH STRATEGIES

The Company seeks to capitalize on current opportunities in the Class B Manhattan office market through (i) property acquisitions (including through joint ventures) - continuing to acquire Class B office properties at significant discounts to replacement costs that provide attractive initial yields and the potential for cash flow growth, (ii) property repositioning - repositioning acquired properties that are underperforming through renovations, active management and proactive leasing (iii) property dispositions and (iv) integrated leasing and property management.

PROPERTY ACQUISITIONS. In acquiring properties, the Company believes that it has the following advantages over its competitors: (i) management's 20 years of experience as a full service, fully integrated real estate company focused on the Class B office market in Manhattan, (ii) enhanced access to capital as a public company, (as compared to the generally fragmented institutional or venture oriented sources of capital available to private companies) and (iii) the ability to offer tax-advantaged structures to sellers through the exchange of ownership interests as opposed to solely cash transactions. In addition, the Company may benefit from the Tax Relief Extension Act of 1999 (See Recent Developments) and from tax law developments reducing the transfer tax rates applicable to certain REIT acquisition transactions. These previous barriers to the sale of real property have been greatly reduced or eliminated, making transactions more economically viable for property sellers.

PROPERTY REPOSITIONING. The Company believes that there are properties that may be acquired which could greatly benefit from management's experience in enhancing property cash flow and value by renovating and repositioning properties to be among the best in their submarkets. Many Class B buildings are located in or near submarkets which are undergoing major reinvestment and where the properties in these markets have low vacancy rates. Featuring unique architectural design, large floor plates or other amenities and functionally appealing characteristics, reinvestment in these properties poses an opportunity to the Company to meet market needs.

PROPERTY DISPOSITIONS. The Company continuously evaluates and identifies properties which it considers as being non-core holdings, including smaller side-street properties. The Company believes that by disposing of these non-core holdings at attractive prices, they will be able to redeploy the capital by making other higher yielding property acquisitions or investing in high-yield investment opportunities.

LEASING AND PROPERTY MANAGEMENT. The Company seeks to capitalize on management's extensive knowledge of the Class B Manhattan marketplace and the needs of the tenants therein by continuing a proactive approach to leasing and management, which includes (i) the use of in-depth market research, (ii) the utilization of an extensive network of third-party brokers, (iii) comprehensive building management analysis and planning and (iv) a commitment to tenant satisfaction by providing "Class A" tenant services. The Company believes proactive leasing efforts have contributed to average occupancy rates at the Properties that are above the market average. In addition, the Company's commitment to tenant service and satisfaction is evidenced by the Company's and its predecessor past record of renewal of approximately 70% of the expiring leases and rentable square footage at the Properties owned and managed by the Company and its predecessor during the period from January 1, 1994 through December 31, 1999.

1998 ACQUISITIONS

During 1998 the Company completed the acquisition of six additional properties for an aggregate purchase price of approximately $339 million. These properties were financed through excess proceeds from the Company's May public offerings, use of the Company's revolving line of credit, and additional property level debt. These six properties have an aggregate rentable area of approximately 2.9 million square feet.

420 Lexington Avenue and 1466 Broadway

On March 18, 1998 the Company closed on its purchase of the fee interest in one property (1466 Broadway) and the operating interest of another property (420 Lexington Avenue, The Graybar Building) from the Helmsley organization. (together, the "Helmsley Properties"). The Graybar Building is located adjacent to Grand Central Station and encompasses approximately 1.2 million square feet. 1466 Broadway is located in the heart of Times Square at 42nd Street and Broadway encompassing approximately 290,000 square feet. The aggregate base purchase price for the two properties was $142 million. At the time the acquisition was announced, the Graybar Building was 83% leased and 1466 Broadway was approximately 87% leased.

321 West 44th Street

On March 31, 1998 the Company closed on its purchase of a 203,000 square foot office building at 321 West 44th Street. The property was acquired for $17 million in cash and was approximately 96% leased at the time the acquisition was announced.

711 Third Avenue

On May 21, 1998 the Company acquired the outstanding leasehold mortgage of the property located at 711 Third Avenue for approximately $44.6 million in cash. The 20-story, 524,000 square foot building was 79% occupied at the date of acquisition. The Company's outstanding mortgage position provides for the Company to receive 100% of the economic benefit from the property, and accordingly for the period owned, the Company has recorded the operating results of the property in the statement of operations. On July 2, 1998 the Company acquired 50% of the fee interest in 711 Third Avenue for $20 million and 44,772 Operating Partnership Units.

440 Ninth Avenue

On June 1, 1998 the Company acquired the property located at 440 Ninth Avenue for approximately $32 million in cash. The 18-story, 340,000 square foot building was 76% occupied at the date of acquisition. In connection with this purchase, the Company contracted to acquire the properties located at 38 East 30th Street in Manhattan and 116 Nassau Street in Brooklyn and later assigned these contracts to third parties. In connection with the assignment 38 East 30th Street, the Company extended a mortgage for $6.2 million bearing interest at 8% and was repaid during September 1998.

1412 Broadway

On August 14, 1998 the Company purchased the property located at 1412 Broadway,The Fashion Gallery Building,for $72 million, plus approximately $5 million for reimbursement of loan prepayment charges and $5 million related to capital expenditures, commissions and other closing costs. The property is a 25-story office building totaling 389,000 square feet with an occupancy rate at the acquisition date, including pending leases, of 89.5%.

OTHER TRANSACTIONS

On January 8, 1998, the Company acquired fee title to its property located at 1372 Broadway. Prior to this date, the Company held a mortgagee's interest in this property with a right to acquire the fee without additional cost.

On April 14, 1998, the Company converted its mortgage interest in 36 West 44th Street into a fee interest and its mortgage interest in 36 West 43rd Street into a leasehold interest (collectively, the "Bar Building") for an additional cost of approximately $1.0 million.

On January 15, 1999 the Company discontinued the current redevelopment and subsequent purchase of 636 11th Avenue, and did not purchase the 469,000 square foot industrial and warehouse property. Termination of the purchase agreement signed last June resulted in a 1998 charge of approximately $1.1 million. The Company continued to hold a $10.9 million first mortgage which was fully secured by the property yielding a current rate of 8.875%, increasing to 9%, effective April 1, 1999. This loan was repaid in full in December 1999.

1999 ACQUISITIONS

During 1999, the Company completed the acquisition of four wholly-owned properties for an aggregate purchase price of approximately $150.7 million. These acquisitions were financed through the use of the Company's revolving line of credit, and additional property level debt. These properties have an aggregate rentable area of approximately 1.3 million square feet. In addition, the Company invested approximately $23.4 million in two unconsolidated joint ventures. These properties have an aggregate rentable area of approximately 1.0 million square feet.

Graybar Building

During January 1999, the Company purchased a sub-leasehold interest in 420 Lexington Avenue for $27.3 million. The sub-leasehold expires on December 30, 2008 with one 21-year renewal term expiring on December 30, 2029. The acquisition was funded through the Company's revolving line of credit.

BMW Building

During January 1999, the Company acquired a 65% controlling interest in 555 West 57th Street (the "BMW Building") for approximately $66.7 million (including 65% interest in the previously existing third-party mortgage debt totaling $45 million). The 941,000 square foot property was 100% leased as of the acquisition date. The assets, liabilities and operating results of the property are included in the consolidated financial statements. On November 5, 1999 the Company acquired the remaining 35% interest in the BMW Building for $34.1 million.

Tower Properties

During May 1999, the Company acquired four Manhattan properties located at 90 Broad Street ("90 Broad"), 286, 290 and 292 Madison Avenue (the "Madison Properties") (collectively, the "Tower Properties") for $84.5 million. The properties total 675,000 square feet and were approximately 89% leased as of the acquisition date. During July 1999 the Company contributed 90 Broad into a joint venture arrangement (see below).

Unconsolidated Joint Ventures

During July 1999, the Company entered into a joint venture agreement with Morgan Stanley Real Estate Fund III, L.P. to own 90 Broad Street located in Manhattan. The property was contributed to the venture by the Company and the Company retained a 35% economic interest in the venture. At the time of the contribution the property was valued at $34.6 million which approximated the Company's cost basis in the asset. In addition, the venture assumed the existing $20.8 million first mortgage that was collateralized by the property. The Company will continue to provide management, leasing and construction services at the property on a fee basis. During 1999, the company earned $62,000 for such services. The venture agreement provides the Company with an opportunity to receive a promotional interest with respect to sales proceeds and cash distributions once a fixed hurdle rate is achieved.

During August 1999, the Company entered into a joint venture agreement with Carlyle Realty to purchase 1250 Broadway located in Manhattan for $93.0 million. The property is 670,000 square feet and was 97% leased at acquisition. The Company holds a 49.9% stake in the venture and provides management, leasing and construction services at the property on a fee basis. During 1999, the Company earned $371,000 for such services. The acquisition was partially financed with a floating rate mortgage totaling $64.7 million maturing in 3 years. This facility has the ability to be increased to $69.7 million as funding of capital requirements is needed. The interest rate is 300 basis points over 30-day LIBOR. The venture agreement provides the Company with an opportunity to receive a promotional interest with respect to sales proceeds and cash distributions once a fixed hurdle rate is achieved.

LEASING ACTIVITY

The following represents the change in occupancy rates of the Properties from December 31, 1997 (or their date of acquisition in 1998 or 1999) as compared to December 31, 1999:

	Occupancy Percent	
	December 31,	
Property	1999	1998
Same Store(1)	97%	93%

ACQUIRED 1998	December 31, 1999	December 31, 1998	At Acquisition	Acquisition Date
1466 Broadway	91%	90%	87%	March 1998
420 Lexington Ave	97%	98%	83%	March 1998
321 West 44th Street	97%	97%	96%	March 1998
711 Third Avenue	96%	96%	79%	May 1998
440 Ninth Avenue	100%	73%	76%	June 1998
1412 Broadway	95%	89%	90%	August 1998

ACQUIRED 1999	December 31, 1999	At Acquisition	Acquisition Date
555 West 57th Street	100%	100%	January 1999
286 Madison Avenue	94%	99%	May 1999
290 Madison Avenue	86%	86%	May 1999
292 Madison Avenue	100%	97%	May 1999

(1) Represents properties owned by the Company at December 31, 1997.

FINANCING ACTIVITY

On December 19, 1997 the Company entered into a $140 million three year senior unsecured revolving credit facility (the "Credit Facility") due December 2000, which is extendable for one year. Availability under the Credit Facility may be limited to an amount less than the $140 million which is calculated by several factors including recent acquisition activity and most recent quarterly property performance. Outstanding loans under the Credit Facility bear interest on a graduated rate per annum equal to the London Interbank Offered Rate ("LIBOR") applicable to each interest period plus 130 basis points to 145 basis points per annum. The Credit Facility requires the Company to comply with certain covenants, including but not limited to, maintenance of certain financial ratios. As of December 31, 1999 current borrowings on the $140 million Credit Facility totaled $83.0 million, with remaining availability of $57.0 million and with a current effective interest rate of 7.82%. Availability was further reduced by the issuance of $7.5 million of Letters of Credit for acquisition deposits.

During March 1998, the Company asked the Credit Facility banking group to temporarily relieve the Company from its obligations under the financial covenants of the Credit Facility in order to close an additional financing necessary to acquire the Helmsley properties (the "Acquisition Facility"). The Acquisition Facility, which closed on March 18, 1998, financed the acquisition of the Helmsley properties, paid-off the outstanding balance on the Credit Facility and provided liquidity for future acquisition and corporate needs. The term of the Acquisition Facility was one year with a graduated interest rate that was determined by a schedule based on the percent of loan commitment outstanding and the duration of the outstanding commitments, ranging from 170 to 300 basis points over LIBOR. The Acquisition Facility was secured by the unencumbered assets of the Company. The Acquisition Facility was repaid through the Company's May 1998 equity financings, resulting in an extraordinary charge to earnings of $0.6 million due to the write-off of unamortized deferred financing costs. All assets were released from the lien related to the Acquisition Facility, resulting in some being reassigned to the Credit Facility unencumbered asset pool. The Company's Credit Facility was reinstated subsequent to the repayment of the Acquisition Facility during the second quarter.

During December 1998, the Company closed two short-term bridge financings totaling $87.5 million. The first financing was a $51.5 million bridge loan with Prudential Securities at an interest rate (7.58% at December 31, 1998) equal to 200 basis points over the current one-month LIBOR. The loan was scheduled to mature on December 30, 1999 and was secured by the properties located at 1412 Broadway and 633 Third Avenue. The second financing was a $36 million bridge loan with Lehman Brothers at an interest rate (8.29% at December 31, 1998) equal to 275 basis points over the current one-month LIBOR. The loan was scheduled to mature on December 15, 1999 and was secured by the properties located at 70 West 36th Street, 1414 Avenue of the Americas and The Bar Building. These bridge loans were repaid early out of the proceeds of the April 1999 fixed-rate mortgage financing (see below). The Company recorded an extraordinary loss of $0.6 million due to the write-off of unamortized deferred financing costs.

1999 FINANCINGS

During April 1999, the Company closed on two fixed-rate mortgage financings totaling $102.8 million with maturities of 10 years ($50.8 million secured by 1414 Avenue of the Americas, 36 West 44th Street, 633 Third Avenue and 70 West 36th Street) and 7 years ($52 million secured by 1412 Broadway). The weighted average interest rate on these financings is 7.78%. These mortgages replaced $87.5 million in secured floating-rate bridge financings (see above) and provided approximately $13 million in additional liquidity that was used to reduce the amount outstanding under the Company's Credit Facility.

During May 1999, the Company closed on loans totaling $117.7 million. The first loan of $65 million is secured by the Company's interest in 420 Lexington Avenue. The term of this loan is two years and bears interest at a rate of 275 basis points over the 30-day LIBOR rate (9.25% at December 31, 1999). In October 1999, the company repurchased a $10.0 million non-investment grade tranche lowering the effective spread over the 30-day LIBOR from 275 basis points to 203 basis points. The second loan was a $52.7 million one-year floating rate facility, secured by the Madison Properties ($26.9 million), 90 Broad ($20.8 million), and 711 Third Avenue ($5.0 million) and bears interest at a rate of 150 basis points over the 30-day LIBOR rate (7.98% at December 31, 1999).

During September 1999, the Company closed a $49.2 million fixed rate financing secured by the property located at 711 Third Avenue. This mortgage matures in 6 years and carries a fixed interest rate of 8.13%. The proceeds were used to repay a $5.0 million existing financing on the property (see above) with the balance used to reduce the amount outstanding under the Company's Credit Facility.

During November 1999, simultaneous with the closing of the remaining 35 percent interest in the BMW Building, the Company obtained a new $70.0 million first mortgage from Bank of New York. The mortgage has a term of five years with a floating interest rate of 200 basis points over 30-day LIBOR. At the time of the financing, the Company entered into an interest rate protection agreement with Bank of New York. The agreement fixes the LIBOR interest rate at 6.10%; however, the LIBOR interest rate on the loan will begin floating if the actual LIBOR rate exceeds 6.10%, and is capped at a maximum LIBOR rate of 6.58%. At closing the loan's effective interest rate inclusive of the collar arrangement was 8.17%. This interest rate "collar" agreement is in effect for five years to correspond with the term of the loan. The Company used funds from the $70.0 million first mortgage to repay the $45.0 million mortgage assumed as part of the acquisition. Due to the limited interest rate exposure resulting from the collar arrangement, the Company considers this loan to be fixed in nature.

On December 28, 1999, the Company closed on a $30.0 million credit facility with Prudential Securities Credit Corp. ("PSCC") (the "PSCC Facility"). The current borrowing capacity is $15.0 million. The PSCC Facility is secured by the Company's preferred equity interest in 1370 Avenue of the Americas and a repurchased mortgage participation interest in the mortgage at 420 Lexington Avenue. Interest-only is payable based on the 1-Month LIBOR plus 125 basis points. The PSCC Facility may be prepaid at any time during its term without penalty. The PSCC Facility matures on December 27, 2000.

INTEREST RATE PROTECTION AGREEMENT

In anticipation of financing properties, the Company executed a forward treasury rate lock on September 2, 1998 for $100 million of future debt. The underlying rate for that position was 5.13%. On December 3rd this rate lock expired and was not renewed. The negative value of this hedge at expiration was $3.2 million. In connection with the hedge, the Company had mortgage commitments to complete five permanent mortgage financings. The hedge cost represents a deferred financing cost which will be amortized over the life of these financings, except for $0.2 million which related to a mismatch in terms resulting in a charge to 1998 earnings.

COMPETITION IN ITS MARKETPLACE

All of the Properties are located in highly developed areas of Manhattan that include a large number of other office properties. Manhattan is by far the largest office market in the United States and contains more rentable square feet than the next six largest central business district office markets in the United States combined. Of the total inventory of 379 million rentable square feet in Manhattan, approximately 172 million rentable square feet is comprised of Class B office space and 207 million rentable square feet is comprised of Class A office space. Many tenants have been attracted to Class B properties in part because of their relatively less expensive rental rates (as compared to Class A properties) and the tightening of the Class A office market in midtown Manhattan. Consequently, an increase in vacancy rates and/or a decrease in rental rates for Class A office space would likely have an adverse effect on rental rates for Class B office space. Also, the number of competitive Class B office properties in Manhattan (some of which are newer and better located) could have a materially adverse effect on the Company's ability to lease office space at its properties, and on the effective rents the Company is able to charge.

In addition, the Company competes with other property owners that may have greater resources than the Company. In particular, although currently no other publicly traded REITs have been formed solely to own, operate and acquire Manhattan Class B office properties, the Company may in the future compete with such other REITs. In addition, the Company may face competition from other real estate companies (including other REITs that currently invest in markets other than Manhattan) that may have greater financial resources than the Company or that are willing to acquire properties in transactions which are more highly leveraged than the Company is willing to undertake. The Company also faces competition from other real estate companies that provide management, leasing and construction services similar to those to be provided by the Service Corporation. In addition, certain requirements for REIT qualification may in the future limit the Company's ability to increase operations conducted by the Service Corporation without jeopardizing the Company's qualifications as a REIT.

EMPLOYEES

At February 4, 2000, the Company employed approximately 465 employees, over 65 of whom were managers and professionals, approximately 362 of whom were hourly paid employees involved in building operations and approximately 38 of whom were clerical, data processing and other administrative employees. There are currently three collective bargaining agreements relating to 19 of the Company's properties covering 362 employees of the Company.

RECENT DEVELOPMENTS

On February 11, 2000, the Company sold 29 West 35th Street for $11.7 million (before selling costs), realizing a gain of approximately $5.0 million on the sale.

On February 16, 2000, the Board of Directors of the Company authorized a dividend distribution of one preferred share purchase right ("Right") for each outstanding share of common stock which will be distributed to all holders of record of the common stock on March 31, 2000. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series B junior participating preferred stock, par value $0.01 per share ("Preferred Shares"), at a price of $60.00 per one one-hundredth of a Preferred Share ("Purchase Price"), subject to adjustment as provided in the rights agreement. The Rights expire on March 5, 2010, unless the expiration date is extended or the Right is redeemed or exchanged earlier by the Company.

The Rights are attached to each share of common stock. The Rights are generally exercisable only if a person or group becomes the beneficial owner of 17 percent or more of the outstanding common stock or announces a tender offer for 17 percent or more of the outstanding stock ("Acquiring Person"). In the event that a person or group becomes an Acquiring Person, each holder of a Right, excluding the Acquiring Person, will have the right to receive, upon exercise, common stock having a market value equal to two times the Purchase Price of the Right.

On February 18, 2000, the Company acquired a 49.9 percent managing interest in 100 Park Avenue ("100 Park"), an 834,000 square foot, 36-story property, located in Manhattan. The purchase price of $95.8 million was funded through a combination of cash and debt. The Company will provide managing and leasing services for 100 Park.

On March 8, 2000, the Company sold 36 West 44th Street for $31.5 million (before selling costs), realizing a gain of approximately $9.9 million on the sale.

The Tax Relief Extension Act of 1999 was recently enacted and contains several tax provisions regarding REITs, including a reduction of the annual distribution requirement for REIT taxable income from 95% to 90%, which the Company presently is not planning on doing. The act also changes the 10% voting securities test under current law to a 10% vote or value test. Thus, subject to certain exceptions, a REIT will no longer be allowed to own more than 10% of the vote or value of the outstanding securities of any issuer, other than a qualified REIT subsidiary or another REIT. One exception to this new test, which is also an exception to the 5% asset test under current law, allows a REIT to own any or all of the securities of a "taxable REIT subsidiary." A taxable REIT subsidiary can perform non-customary services for tenants of a REIT without disqualifying rents received from such tenants for purposes of the REIT's gross income tests and can also undertake third-party management and development activities as well as non-real-estate-related activities. A taxable REIT subsidiary will be taxed as a regular C corporation but will be subject to earnings stripping limitations on the deductibility of interest paid to its REIT. In addition, a REIT will be subject to a 100% excise tax on certain excess amounts to ensure that (i) tenants who pay a taxable REIT subsidiary for services are charged an arm's-length amount by the taxable REIT subsidiary for the service, rather than paying an excessive amount to the REIT as rent, (ii) shared expenses of a REIT and its taxable REIT subsidiary are allocated fairly between the two, and (iii) interest paid by a taxable REIT subsidiary to its REIT is commercially reasonable.

These new tax provisions are not effective until January 1, 2001. In addition, grandfather protection is provided with respect to the 10% value test for securities of a corporation held by a REIT on July 12, 1999, but such protection ceases to apply after the corporation engages in a substantial new line of business or acquires any substantial asset and also ceases to apply after the acquisition of additional securities of the corporation by the REIT after July 12, 1999. The Company has made no decision at this time with regard to any actions it might take relating to the provisions contained in the Tax Relief Extension Act. However, because the Company currently has a 95% economic interest in its management subsidiary which is more than 10% of its value, the Company may have to restructure the ownership of this company or have it elect to be a taxable REIT subsidiary of SL Green in 2001. Furthermore, the Company may decide to simplify its capital structure, including that of its management subsidiary. If so, the Company then could consolidate its financial statements. None of the actions the Company may take will require shareholder approval.

Securities of a taxable REIT subsidiary will constitute non-real-estate assets for purposes of determining whether at least 75% of a REIT's assets consist of real estate. In addition, under current law, no more than 5% of a REIT's total assets can consist of securities of taxable REIT subsidiaries. This act increases the limit to 20%. As of December 31, 1999 the amount of SL Green's assets attributable to our taxable subsidiary was approximately 0.5%.

ITEM 2. PROPERTIES

THE PORTFOLIO

GENERAL. As of December 31, 1999, the Company owned interests in 22 Class B office properties encompassing approximately 7.6 million rentable square feet located primarily in midtown Manhattan. Certain of the Properties include at least a small amount of retail space on the lower floors, as well as basement/storage space. The Company's portfolio also includes ownership interests in unconsolidated joint ventures which own two Class B office properties in Manhattan, encompassing approximately 1.0 million rentable square feet. These two properties were approximately 94% leased at December 31, 1999.

The following table sets forth certain information with respect to each of the properties in the portfolio as of December 31, 1999:

Property	Year Built/ Renovated	Submarket	Approximate Rentable Square Feet	Percentage of Portfolio Rentable Square Feet	Percent Leased	Annualized Rent(1)	Percentage of Portfolio Annualized Rent	Number of Leases
17 Battery Place...	1906/1999	World Trade/ Battery Place	811,000	10.7%	87%	$14,159,850	7.6%	53
29 W. 35th Street (10)	1911/1985	Garment	78,000	1.0	97	1,621,098	0.9	6
50 W. 23rd Street.	1892/1992	Chelsea	333,000	4.5	100	6,920,420	3.7	17
36 West 44th Street (5)......	1922/1998	Rockefeller Center	165,000(5)	2.2	100	4,673,012(5)	2.5	68
70 W. 36th Street.	1923/1994	Garment	151,000	2.0	100	3,092,818	1.7	35
110 E. 42nd Street	1921/----	Grand Central No.	251,000	3.3	100	6,683,104	3.6	36
470 Park Avenue South(4)........	1912/1994	Park Avenue South	260,000(4)	3.4	98	6,280,299	3.4	27
633 Third Avenue (7)	1962/1996	Grand Central No.	41,000	0.5	100	1,569,244	0.8	3
673 First Avenue (13)	1928/1990	Grand Central So.	422,000	5.6	100	11,798,002	6.4	15
1140 Avenue of the Americas........	1926/1998	Rockefeller Center	191,000	2.5	100	5,659,916	3.1	33
1372 Broadway	1914/1998	Garment	508,000	6.9	100	12,419,992	6.7	29
1414 Avenue of the Americas........	1923/1998	Rockefeller Center	111,000	1.5	100	3,451,311	1.9	33
1466 Broadway.....	1907/1982	Times Square	289,000	3.8	91	9,471,807	5.1	138
420 Lexington (8).	1927/1999	Grand Cent.No.	1,188,000	15.7	97	34,140,285	18.4	265
321 W. 44th Street	1929/----	Times Square	203,000	2.7	97	4,506,734	2.4	28
440 Ninth Avenue..	1927/1989	Garment	339,000	4.5	100	6,243,610	3.4	20
711 Third Avenue(9)	1955/----	Grand Cent.No.	524,000	6.9	96	14,737,966	7.9	26
1412 Broadway	1927/1998	Times Square	389,000	5.2	95	11,089,090	6.0	115
555 West 57th Street (13)	1971/----	Midtown West	941,000	12.5	100	17,586,002	9.5	28
286 Madison Avenue	1918.1997	Grand Central So	112,000	1.5	94	2,566,328	1.4	37
290 Madison Avenue	1952/----	Grand Central So	36,800	0.5	86	1,106,223	0.6	3
292 Madison Avenue	1923/----	Grand Central So	187,000	2.5	100	6,100,242	3.3	18
Total/Weighted average wholly-owned			7,530,800(6)	100.0%	97%	$185,832,353	100.0%	1,033
90 Broad Street (11)	1930/----	Financial	339,000		83	6,777,310		40
1250 Broadway (12)(13)	1968/----	Penn Station	670,000		100	16,069,180		30
Total/Weighted average joint ventures			1,009,000		94%	22,846,490		70
Grand Total/Weighted average portfolio			8,539,800		97%	$208,678,843		1,103

Property	Annualized Rent Per Leased Square Foot(2)	Annual Net Effective Rent Per Leased Square Foot(3)
17 Battery Place...	$20.07	$20.62
29 W. 35th Street (10)	21.43	24.91
50 W. 23rd Street.	20.78	18.53

36 West 44th Street (5)......	28.32	32.37
70 W. 36th Street.	20.48	19.74
110 E. 42nd Street	26.71	26.94
470 Park Avenue South(4)........	24.62	20.90
633 Third Avenue (7)	38.27	38.10
673 First Avenue (13)	27.96	24.15
1140 Avenue of the Americas........	29.63	27.91
1372 Broadway	24.45	20.25
1414 Avenue of the Americas........	31.09	34.25
1466 Broadway.....	36.02	33.07
420 Lexington (8).	29.63	29.85
321 W. 44th Street	22.89	17.44
440 Ninth Avenue..	18.42	20.37
711 Third Avenue(9)	29.30	26.98
1412 Broadway	30.01	30.07
555 West 57th Street (13)	18.69	20.28
286 Madison Avenue	24.38	25.47
290 Madison Avenue	33.53	37.24
292 Madison Avenue	32.62	29.44
Total/Weighted average wholly-owned	$25.47	$24.76
90 Broad Street (11)	24.09	22.91
1250 Broadway (12)(13)	23.98	24.09
Total/Weighted average joint ventures	$24.05	$23.74
Grand Total/Weighted average portfolio	$25.42	$24.64

(1) Annualized Rent represents the monthly contractual rent under existing leases as of December 31, 1999 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of 1999 for the 12 months ended December 31, 2000 are approximately $2,046,973 for the wholly-owned Properties and $382,938 for the joint ventures.

(2) Annualized Rent Per Leased Square Foot, represents Annualized Rent, as described in footnote (1) above, presented on a per leased square foot basis.

(3) Annual Net Effective Rent Per Leased Square Foot represents (a) for leases in effect at the time an interest in the relevant property was first acquired by SL Green, the remaining lease payments under the lease (excluding operating expense pass-throughs, if any) divided by the number of months remaining under the lease multiplied by 12 and (b) for leases entered into after an interest in the relevant property was first acquired by SL Green or the Company, all lease payments under the lease (excluding operating expense pass-throughs, if any) divided by the number of months in the lease multiplied by 12, and, in the case of both (a) and (b), minus tenant improvement costs and leasing commissions, if any, paid or payable by the Company and presented on a per leased square foot basis. Annual Net Effective Rent Per Leased Square Foot includes future contractual increases in rental payments and therefore, in certain cases, may exceed Annualized Rent Per Leased Square Foot.

(4) 470 Park Avenue South is comprised of two buildings, 468 Park Avenue South (a 17-story office building) and 470 Park Avenue South (a 12-story office building).

(5) The 36 West 44th Street is comprised of two buildings, 36 West 44th Street (a 14-story building) and 35 West 43rd Street (a four-story building).

(6) Includes approximately 6,974,700 square feet of rentable office space, 406,000 square feet of rentable retail space and 150,100 square feet of garage space.

(7) The Company holds fee interests in condominium units.

(8) The Company holds an operating sublease interest in the land and improvements.

(9) The Company holds a leasehold mortgage interest, a net sub-leasehold interest and a co-tenancy interest in this property.

(10) This property was sold on February 11, 2000.

(11) The Company owns a 35% economic interest in this joint venture.

(12) The Company owns a 49.9% interest in this joint venture.

(13) Includes a parking garage.

HISTORICAL OCCUPANCY. The Company has historically achieved consistently higher occupancy rates in comparison to the overall Class B Midtown Markets, as shown in the following table:

	PERCENT LEASED AT THE PROPERTIES (1)	OCCUPANCY RATE OF CLASS B OFFICE PROPERTIES IN THE MIDTOWN MARKETS (2)
December 31, 1999..............................	97%	93%
December 31, 1998..............................	93	92
December 31, 1997..............................	94	90
December 31, 1996..............................	95	89
December 31, 1995..............................	95	87
December 31, 1994..............................	98	86
December 31, 1993..............................	96	84

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(1) Includes space for leases that were executed as of the relevant date in Properties owned by the Company or SL Green as of that date.

(2) Includes vacant space available for direct lease, but does not include vacant space available for sublease; including vacant space available for sublease would reduce the occupancy rate as of each date shown. Sources: RELocate, Rosen Consulting Group.

LEASE EXPIRATIONS. Leases at the Properties, as at many other Manhattan office properties, typically extend for a term of ten or more years, compared to typical lease terms of 5-10 years in other large U.S. office markets. From January 1, 1994 through December 31, 1999, the Company or its predecessor renewed approximately 70% of the leases scheduled to expire at the Properties owned and managed by the Company or its predecessor during such period, constituting renewal of approximately 70% of the expiring rentable square footage during such period. Through December 31, 2004, the average annual rollover at the Properties is approximately 594,000 square feet, representing an average annual expiration of 8.1% of the total leased square feet at the Properties per year (assuming no tenants exercise renewal or cancellation options and no tenant bankruptcies or other tenant defaults).

The following tables set forth a schedule of the annual lease expirations at the wholly-owned Properties and joint ventures, respectively, with respect to leases in place as of December 31, 1999 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

WHOLLY-OWNED PROPERTIES

YEAR OF LEASE EXPIRATION	NUMBER OF EXPIRING LEASES	SQUARE FOOTAGE OF EXPIRING LEASES	PERCENTAGE OF TOTAL LEASED SQUARE FEET	ANNUALIZED RENT OF EXPIRING LEASES(1)	ANNUALIZED RENT PER LEASED SQUARE FOOT OF EXPIRING LEASES (2)
2000	261	614,974	8.40%	$17,140,683	$27.87
2001	130	520,330	7.11%	13,644,811	26.22
2002	151	600,186	8.20%	14,752,576	24.58
2003	126	619,510	8.47%	16,303,530	26.32
2004	105	617,246	8.44%	16,352,108	26.49
2005	42	546,179	7.46%	14,252,074	26.09
2006	43	452,655	6.19%	11,984,496	26.48
2007	36	475,152	6.49%	10,860,478	22.86
2008	41	610,643	8.34%	17,107,401	28.02
2009	42	612,086	8.36%	16,129,440	26.35
2010 & thereafter	56	1,648,658	22.53%	37,304,756	22.63
Total/weighted average	1,033	7,317,619	100%	$185,832,353	$25.47

JOINT VENTURES

YEAR OF LEASE EXPIRATION	NUMBER OF EXPIRING LEASES	SQUARE FOOTAGE OF EXPIRING LEASES	PERCENTAGE OF TOTAL LEASED SQUARE FEET	ANNUALIZED RENT OF EXPIRING LEASES(1)	ANNUALIZED RENT PER LEASED SQUARE FOOT OF EXPIRING LEASES (2)
2000	10	51,011	5.37%	$1,284,844	$25.19
2001	3	7,824	0.82%	217,484	27.80
2002	7	63,456	6.68%	1,757,163	27.69
2003	11	194,343	20.45%	4,407,750	22.68
2004	10	140,124	14.75%	3,545,258	25.30
2005	4	10,745	1.13%	396,342	36.89
2006	3	179,219	18.86%	3,662,495	20.44
2007	2	74,603	7.85%	1,535,465	20.58
2008	9	92,612	9.75%	2,360,055	25.48
2009	8	88,313	9.30%	2,360,934	26.73
2010 & thereafter	3	47,851	5.04%	1,318,700	27.56
Total/weighted average	70	950,101	100%	$22,846,490	$24.05

(1) Annualized Rent of Expiring Leases, as used throughout this report, represents the monthly contractual rent under existing leases as of December 31, 1999 multiplied by 12. This amount reflects total rent before any rent abatements and includes expense reimbursements, which may be estimated as of such date. Total rent abatements for leases in effect as of December 31, 1999 for the 12 months ending December 31, 2000 are approximately $2,046,973 for the wholly-owned Properties and $383,000 for the joint venture properties.

(2) Annualized Rent Per Leased Square Foot of Expiring Leases, as used throughout this report, represents Annualized Rent of Expiring Leases, as described in footnote (1) above, presented on a per leased square foot basis.

TENANT DIVERSIFICATION. The wholly-owned Properties currently are leased to over 1,000 tenants which are engaged in a variety of businesses, including publishing, health services, retailing and banking. The following table sets forth information regarding the leases with respect to the 20 largest tenants at the Properties, based on the amount of square footage leased by such tenants as of December 31, 1999:

TENANT(1)	PROPERTIES	REMAINING LEASE TERM IN MONTHS	TOTAL LEASED SQUARE FEET	PERCENTAGE OF AGGREGATE PORTFOLIO LEASED SQUARE FEET	ANNUALIZED RENT	PERCENTAGE OF AGGREGATE PORTFOLIO ANNUALIZED RENT
City Of New York(3)	17 Battery Place	96	295,371	4.04%	5,794,689	3.12%
BMW of Manhattan, Inc.	555 West 57th Street	151	183,438	2.51%	2,348,718	1.26%
City University of NY-CUNY	555 West 57th Street	181	144,661	1.98%	3,393,205	1.83%
MTA .(4)	420 Lexington Avenue	193	134,687	1.84%	3,255,806	1.75%
St. Luke's Roosevelt Hospital	555 West 57th Street	116	133,700	1.83%	2,993,732	1.61%
CBS, Inc.	555 West 57th Street	48	106,644	1.46%	1,599,988	0.86%
New York Presbyterian Hospital (5)	555 West 57th Street and 673 First Avenue	120	99,650	1.36%	2,426,161	1.31%
Parade Publications, Inc.	711 Third Avenue	128	82,444	1.13%	1,813,768	0.98%
Kallir, Phillips, Ross, Inc.	673 First Avenue	54	80,000	1.09%	2,403,695	1.29%
UNICEF	673 First Avenue	48	80,000	1.09%	2,520,411	1.36%
Greater New York Hospital	555 West 57th Street	171	74,937	1.02%	2,161,648	1.16%
New York Life Insurance Company	420 Lexington Avenue	126	73,373	1.00%	2,523,438	1.36%
Gibbs & Cox Inc.	50 West 23rd Street	68	71,200	0.97%	1,685,371	0.91%
TBWA-Ketchum Public Relations	292 Madison Avenue	72	70,791	0.97%	2,151,404	1.16%
Cirpriani 42nd Street, LLC	110 East 42nd Street	108	69,703	0.95%	2,499,996	1.35%
Wildcat Service Corporation	17 Battery Place	114	68,860	0.94%	1,387,836	0.75%
Crain Communications, Inc.	711 Third Avenue	109	66,735	0.91%	2,068,785	1.11%
Ross Stores	1372 Broadway	89	64,144	0.88%	1,436,942	0.77%
Capital Mercury Shirt	1372 Broadway	67	64,122	0.88%	1,410,684	0.76%
NYC Board of Education	50 West 23rd Street	126	64,000	0.87%	731,649	0.39%
TOTAL/Weighted Average(2)....		109	2,028,460	27.72%	$46,607,927	25.09%
Joint Venture Properties						
The City of New York (if combined)	1250 Broadway and 17 Battery Place	96	343,371		6,866,414	
Visiting Nurse Service of NY	1250 Broadway	80	168,000		3,441,345	
Information Builders Inc.	1250 Broadway	39	88,571		1,988,651	
TOTAL			599,942		$12,296,410	

(1) This list is not intended to be representative of the Company's tenants as a whole.
(2) Weighted average calculation based on total rentable square footage leased by each tenant.
(3) 30,740 square feet expire February 2006; 264,631 square feet expire December 2007.
(4) 22,467 square feet expire January 2008; 112,220 square feet expire January 2016.
(5) 76,000 square feet expire August 2006; 23,650 square feet expire December 2009

420 LEXINGTON AVENUE (THE GRAYBAR BUILDING)

The Company purchased the operating sublease at 420 Lexington Avenue, a.k.a. the Graybar Building in March 1998. This 31-story office property sits at the foot of Grand Central Terminal in the Grand Central North sub-market of the midtown Manhattan office market. The Property was designed by Sloan and Robertson and completed in 1927. The building takes its name from its original owner, the Graybar Electric Company. The Property contains approximately 1.2 million rentable square feet (including approximately 1,150,000 square feet of office space, 12,260 square feet of mezzanine space and 27,463 square feet of retail space), with floor plates ranging from 17,000 square feet to 50,000 square feet. The Company restored the grandeur of this building through the implementation of an $11.9 million capital improvement program geared toward certain cosmetic upgrades including new entrance and storefronts, new lobby, elevator cabs, and elevator lobbies and corridors.

The Graybar Building offers unsurpassed convenience to transportation. This Property enjoys excellent accessibility to a wide variety of transportation options with a direct passageway to Grand Central Station. Grand Central Station is the major transportation destination for commutation from southern Connecticut and Westchester County. Major bus and subway lines serve this Property, as well. The Property is ideally located to take advantage of the renaissance of Grand Central Terminal, which has been redeveloped into a major retail/transportation hub containing restaurants such as Michael Jordan's Steakhouse and retailers such as Banana Republic and Kenneth Cole.

The Graybar Building consists of the building at 420 Lexington Avenue and fee title to a portion of the land above the railroad tracks and associated structures which form a portion of the Grand Central Terminal complex in midtown Manhattan. The Company interest consists of a tenant's interest in a controlling sublease, as described below. The ownership structure of the Graybar Building is as follows.

Fee title to the building and the land parcel is owned by an unaffiliated third party, who also owns the landlord's interest under a lease expiring December 31, 2008 subject to renewal by the tenant through December 31, 2029 (the "Ground Lease"). The Company controls the exercise of this renewal option through the terms of the subordinate leases described below.

The tenant under the Ground Lease is the holder of the landlord's interest under a lease (the "Ground Sublease") which is coterminous (except that it ends on December 30, 2029) and has a complementary renewal option term structure and control to the Ground Lease. The tenant's interest under the Ground Sublease is held by an unaffiliated third party. The tenant under the Ground Sublease is the holder of the landlord's interest under a lease (the "Operating Lease") which is coterminous (except that it ends on December 28, 2029) and has a complementary renewal option term structure and control to the Ground Lease. The tenant's interest under the Operating Lease is held by an unaffiliated third party. The tenant under the Operating Lease is the holder of the landlord's interest under a lease (the "Operating Sublease") which is coterminous and has a complementary renewal option term structure and control to the Ground Lease. The tenant's interest under the Operating Sublease is held by the Company.

As of December 31, 1999, approximately 98% of the rentable square footage in the Graybar Building was leased. The office space was 99% leased, the mezzanine space was 95% leased and the retail space was 75% leased. The following table sets forth certain information with respect to the Property:

YEAR-END	PERCENT OCCUPIED	ANNUALIZED RENT PER LEASED SQUARE FOOT
1999	97%	$29.63
1998	98	25.30
1997	86	26.80
1996	88	27.26
1995	91	28.97

As of December 31, 1999, the Graybar Building was leased to 248 tenants operating in various industries, including legal services, financial services and advertising, none of whom occupied 10% or more of the rentable square footage at the Property.

The following table sets out a schedule of the annual lease expirations at the Graybar Building for leases executed as of December 31, 1999 with respect to each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

YEAR OF LEASE EXPIRATION	NUMBER OF EXPIRING LEASES	SQUARE FOOTAGE OF EXPIRING LEASES	PERCENTAGE OF TOTAL LEASED SQUARE FEET	ANNUALIZED RENT OF EXPIRING LEASES	ANNUALIZED RENT PER LEASED SQUARE FOOT OF EXPIRING LEASES
2000..............................	54	143,862	12.3%	$ 3,884,490	$27.00
2001..............................	38	115,927	9.9%	3,570,552	30.80
2002..............................	37	131,227	11.2%	3,800,525	28.96
2003..............................	34	77,094	6.6%	2,360,445	30.62
2004..............................	32	101,600	8.7%	3,121,618	30.72
2005..............................	14	65,290	5.6%	2,055,296	31.48
2006..............................	6	73,967	6.3%	1,935,367	26.17
2007..............................	12	35,489	3.0%	1,062,734	29.95
2008..............................	7	94,402	8.1%	2,973,682	31.50
2009..............................	7	91,932	7.9%	2,919,378	31.76
2010 and thereafter...............	7	221,620	20.4%	6,456,198	29.13
Subtotal/Weighted average.........	248	1,152,410	100%	$34,140,285	$29.63

The aggregate undepreciated tax basis of depreciable real property at the Graybar Building for Federal income tax purposes was $123.9 million as of December 31, 1999. Depreciation and amortization are computed for Federal income tax purposes on the straight-line method over lives which range up to 39 years.

The current real estate tax rate for all Manhattan office properties is $9.742 per $100 of assessed value. The total annual tax for the Graybar Building at this rate including the applicable BID tax for the 1999-00 tax year is $5.7 million (at a taxable assessed value of $58.8 million).

555 WEST 57TH STREET (BMW BUILDING)

555 West 57th Street, The BMW Building, is a 20-story, 941,000 square foot building located between 10th and 11th Avenues in the Columbus Circle - Midtown West area of New York City. The building was constructed in 1973 and has undergone recent improvements including elevator modernization, HVAC and fire alarm systems, and is currently undergoing a facade restoration. The building is 100% occupied by primarily large institutional and commercial entities. The ground floor of the building is a newly designed 23,000 square foot BMW automobile showroom. The Company owns a 100% fee simple interest in the property.

YEAR END	PERCENT OCCUPIED	ANNUALIZED RENT PER LEASED SQUARE FOOT
1999...............	100%	$18.69

As of December 31, 1999, the property was leased to 28 tenants. The five largest tenants, all of whom occupy 10% or more of the rentable square footage at the property, occupy approximately 71% of the rentable square footage of the property.

The following table sets out a schedule of the property's annual lease expirations with respect to leases executed as of December 31, 1999 for each of the next ten years and thereafter (assuming that no tenants exercise renewal or cancellation options and that there are no tenant bankruptcies or other tenant defaults):

YEAR OF LEASE EXPIRATION	NUMBER OF EXPIRING LEASES	SQUARE FOOTAGE OF EXPIRING LEASES	PERCENTAGE OF TOTAL LEASED SQUARE FOOTAGE	ANNUALIZED RENT OF EXPIRING LEASES	ANNUALIZED RENT PER LEASED SQUARE FOOT OF EXPIRING LEASES
2000	4	6,580	0.7%	$244,187	$37.11
2001	1	19,000	2.0%	457,650	24.09
2002	3	36,424	3.9%	569,190	15.63
2003	4	145,505	15.5%	2,433,049	16.72
2004	2	5,100	0.6%	100,796	19.76
2005	1	6,800	0.7%	115,600	17.00
2006	2	32,415	3.4%	654,460	20.19
2007	--	--	--	--	--
2008	1	1,800	0.2%	35,000	19.44
2009	2	43,403	4.6%	1,017,000	23.43
2010 and thereafter	8	643,973	68.4%	11,959,070	18.57
Subtotal/Weighted Average	28	941,000	100%	$17,586,002	$18.69

The aggregate undepreciated tax basis of depreciable real property at 555 West 57th Street for Federal income tax purposes was $101.7 million as of December 31, 1999. Depreciation and amortization are computed on the straight-line method over 39 years.

The current real estate tax rate for all Manhattan office properties is $9.989 per $100 of assessed value. The total annual tax for 555 West 57th Street at this rate for the 1999-00 tax year is $2.8 million (at an assessed value of $28.3 million).

ENVIRONMENTAL MATTERS

The Company engaged independent environmental consulting firms to perform Phase I environmental site assessments on the Properties, in order to assess existing environmental conditions. All of the Phase I assessments have been conducted since March 1997, except for the Bar Building, where a Phase I assessment was conducted in September 1996. All of the Phase I assessments met the ASTM Standard. Under the ASTM Standard, a Phase I environmental site assessment consists of a site visit, an historical record review, a review of regulatory agency data bases and records, interviews, and a report, with the purpose of identifying potential environmental concerns associated with real estate. The Phase I assessments conducted at the Properties also addressed certain issues that are not covered by the ASTM Standard, including asbestos, radon, lead-based paint and lead in drinking water. These environmental site assessments did not reveal any known environmental liability that the Company believes will have a material adverse effect on the Company's financial condition or results of operations or would represent a material environmental cost.

The following summarizes certain environmental issues described in the Phase I environmental site assessment reports:

The asbestos surveys conducted as part of the Phase I site assessments identified immaterial amounts of damaged, friable asbestos-containing material ("ACM") in isolated locations in three properties owned as of the IPO (470 Park Avenue South, 29 West 35th Street and the Bar Building) and in the Acquisition Properties (1140 Avenue of the Americas and 1372 Broadway). At each of these Properties, the environmental consultant recommended abatement of the damaged, friable ACM and this was completed by the Company at each of these properties. At all of the Properties except 50 West 23rd Street, non-friable ACM, in good condition, was identified. For each of these Properties, the consultant recommended preparation and implementation of an asbestos Operations and Maintenance ("O & M") program, to monitor the condition of ACM and to ensure that any ACM that becomes friable and damaged is properly addressed and as of this date the Company has implemented such an Operations and Maintenance program.

The Phase I environmental site assessments identified minor releases of petroleum products at the Bar Building and at 70 West 36th Street. The consultant recommended implementation of certain measures to further investigate, and to clean up, these releases. The Company does not believe that any actions that may be required as a result of these releases will have a material adverse effect on the Company's business.

GENERAL TERMS OF LEASES IN THE MIDTOWN MARKETS

Leases entered into for space in the midtown markets typically contain terms which may not be contained in leases in other U.S. office markets. The initial term of leases entered into for space in excess of 10,000 square feet in the midtown markets generally is ten to 15 years. The tenant often will negotiate an option to extend the term of the lease for one or two renewal periods of five years each. The base rent during the initial term often will provide for agreed upon increases periodically over the term of the lease. Base rent for renewal terms, and base rent for the final years of a long-term lease (in those leases which do not provide an agreed upon rent during such final years), often is based upon a percentage of the fair market rental value of the premises (determined by binding arbitration in the event the landlord and the tenant are unable to mutually agree upon the fair market value), but not less than the base rent payable at the end of the prior period. Leases typically do not provide for increases in rent based upon increases in the consumer price index.

In addition to base rent, the tenant also generally will pay the tenant's pro rata share of increases in real estate taxes and operating expenses for the building over a base year. In some leases, in lieu of paying additional rent based upon increases in real estate taxes and building operating expenses, the tenant will pay additional rent based upon increases in the wage rate paid to porters over the porters' wage rate in effect during a base year.

Electricity is most often supplied by the landlord either on a submetered basis or rent inclusion basis (i.e., a fixed fee is included in the rent for electricity, which amount may increase based upon increases in electricity rates or increases in electrical usage by the tenant). Base building services other than electricity (such as heat, air conditioning and freight elevator service during business hours, and base building cleaning) typically are provided at no additional cost, with the tenant paying additional rent only for services which exceed base building services or for services which are provided other than during normal business hours.

In a typical lease for a new tenant, the landlord, at its expense, will deliver the premises with all existing improvements demolished and any asbestos abated. The landlord also typically will provide a tenant improvement allowance, which is a fixed sum which the landlord will make available to the tenant to reimburse the tenant for all or a portion of the tenant's initial construction of its premises. Such sum typically is payable as work progresses, upon submission of invoices for the cost of construction. However, in certain leases (most often for relatively small amounts of space), the landlord will construct the premises for the tenant.

MORTGAGE INDEBTEDNESS

The Company has outstanding approximately $352.7 million of indebtedness secured by 15 of the Properties. Of this total, $270.7 million was fixed rate debt (weighted average interest rate of 7.97%) and $82.0 million was floating rate debt (weighted average interest rate of 8.34%). The mortgage notes payable collateralized by the respective properties and assignment of leases at December 31, 1999 are as follows:

PROPERTY	MORTGAGE NOTES	1999	1998
50 West 23rd Street	Note payable to GMAC with interest at 7.33%, due December 2007	$21,000	$21,000
29 West 35th Street	First mortgage note with interest payable at 8.464%, due February 1, 2001	2,825	2,903
673 First Avenue	First mortgage note with interest payable at 9.0%, due December 13, 2003	14,740	16,452
470 Park Avenue South	First mortgage note with interest payable at 8.25%, due April 1, 2004	10,153	10,507
1414 Avenue of Americas, 633 Third Avenue, 36 West 44th Street and 70 West 36th Street	First mortgage note with interest payable at 7.9%, due May 1, 2009	50,800	---
1412 Broadway	First mortgage note with interest payable at 7.62%, due May 1, 2006	52,000	---
711 Third Avenue	First mortgage note with interest payable at 8.13%, due September 10, 2005	49,225	---
555 West 57th Street	First mortgage note with interest payable at 8.10%, due November 4, 2004 (1)	70,000	---
	Total fixed rate debt	270,743	50,862
420 Lexington Avenue	First mortgage note with interest payable at 9.25%, due May 21, 2001	55,000	---
Madison Properties	First mortgage note with interest payable at 7.98%, due June 1, 2000	26,950	---
	Total floating rate debt	81,950	---
	Total mortgage notes payable	$352,693	$50,862

(1) The Company entered into an interest rate protection agreement which fixed the LIBOR interest rate at 6.10% at December 31, 1999. If LIBOR exceeds 6.10%, the loan will float until the maximum cap of 6.58% is reached.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 1999 the Company was not involved in any material litigation nor, to management's knowledge, is any material litigation threatened against them or their properties other than routine litigation arising in the ordinary course of business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of the fiscal year covered by this report, no matter was submitted to a vote of security holders.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Common Stock of the Company began trading on the New York Stock Exchange ("NYSE") on August 15, 1997 under the symbol "SLG". On March 9, 2000, the reported closing sale price per share of Common Stock on the NYSE was $22 5/16 and there were approximately 58 holders of record of the Company's Common Stock. The table below sets forth the quarterly high and low closing sales prices of the Common Stock on the NYSE and the distributions paid by the Company with respect to the periods indicated.

	HIGH	LOW	DISTRIBUTIONS
Quarter ended March 31, 1998	$27 7/8	$24	$0.35
Quarter ended June 30, 1998	$26 1/2	$21 15/16	$0.35
Quarter ended September 30, 1998	$24 3/8	$17 7/8	$0.35
Quarter ended December 31, 1998	$21 3/4	$17 1/2	$0.35
Quarter ended March 31, 1999	$22 3/16	$17 3/4	$0.35
Quarter ended June 30, 1999	$22 1/4	$17 11/16	$0.35
Quarter ended September 30, 1999	$21 5/8	$19 1/2	$0.35
Quarter ended December 31, 1999	$22	$17 7/8	$0.3625

Dividends are declared during each quarter and the dividend is paid during the subsequent quarter.

UNITS

At December 31, 1999 the Company had 2,428,056 Operating Partnership Units outstanding. These units received distributions per unit in the same manner as dividends were distributed per share to common shareholders.

SALE OF UNREGISTERED SECURITIES

The Company's issuance of securities in the transactions referenced below were registered under the Securities Act of 1933, pursuant to the exemption contemplated by Section 4(2) thereof for transactions not involving a public offering.

The Company issued 159,515 and 240,000 shares of its Common Stock in July 1998 and January 1999, respectively, for deferred stock-based compensation in connection with employment contracts.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the Company, and on an historical combined basis for the SL Green Predecessor (as defined below), and should be read in conjunction with the Company's Financial Statements and notes thereto included in Item 8, "Financial Statements and Supplementary Data" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-K. The balance sheet information as of December 31, 1999, 1998 and 1997 represents the consolidated balance sheet of the Company and the statement of income for the years ended December 31, 1999 and 1998 and the period August 21, 1997 to December 31, 1997 represents consolidated results of the Company since the IPO. The combined balance sheet information as of December 31, 1996, and 1995 and statements of income for the period January 1, 1997 to August 20, 1997 and for the years ended December 31, 1996, and 1995 of the SL Green Predecessor have been derived from the historical combined financial statements.

The "SL Green Predecessor" consists of the assets, liabilities, and owners' deficits and results of operations of two properties, 1414 Avenue of the Americas and 70 West 36th Street, equity interests in four other properties, 673 First Avenue, 470 Park Avenue South, 29 West 35th Street and the Bar Building (which interests are accounted for under the equity method) and of the assets, liabilities and owners' equity and results of operations of the Company's affiliated Service Corporation.

THE COMPANY AND THE SL GREEN PREDECESSOR (HISTORICAL)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THE COMPANY			SL GREEN PREDECESSOR		
	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998	AUGUST 21 - DECEMBER 31, 1997	JANUARY 1 - AUGUST 20, 1997	YEAR ENDED DECEMBER 31, 1996	YEAR ENDED DECEMBER 31, 1995
Operating Data:						
Total revenue	$ 206,017	$ 134,552	$ 23,207	$ 9,724	$ 10,182	$ 6,564
Property operating expenses	62,168	45,207	7,077	2,722	3,197	2,505
Real estate taxes	29,198	21,224	3,498	705	703	496
Interest	28,610	13,086	2,135	1,062	1,357	1,212
Depreciation and amortization	27,260	15,404	2,815	811	975	775
Loss on terminated project	--	1,065	--	--	--	--
Loss on hedge transaction	--	176	--	--	--	--
Marketing, general and administration	10,922	5,760	948	2,189	3,250	3,052
Total expenses	158,158	101,922	16,473	7,489	9,482	8,040
Operating income (loss)	47,859	32,630	6,734	2,235	700	(1,476)
Equity in net income (loss) from Service Corporation	730	387	(101)	--	--	--
Equity in net income of unconsolidated joint ventures	377	--	--	--	--	--
Equity in net loss of uncombined joint ventures	--	--	--	(770)	(1,408)	(1,914)
Income (loss) before minority interest and extraordinary items	48,966	33,017	6,633	1,465	(708)	(3,390)
Minority interest	(5,121)	(3,043)	(1,074)	--	--	--
Income (loss) before extraordinary items	43,845	29,974	5,559	1,465	(708)	(3,390)
Extraordinary items (net of minority interest)	(989)	(522)	(1,874)	22,087	8,961	--
Net income (loss)	42,856	29,452	3,685	23,552	8,253	(3,390)
Preferred divi- dends and accretion	(9,598)	(5,970)	--	--	--	--
Income available to common shareholders	$ 33,258	$ 23,482	$ 3,685	$ 23,552	$ 8,253	$ (3,390)
Income per common share before extraordinary item (basic and diluted)	$ 1.41	$ 1.22	$ 0.45			
Net income per common share (basic and diluted)	$ 1.37	$ 1.19	$ 0.30			
Cash dividends declared per common share	$ 1.41	$ 1.40	$ 0.51			
Basic weighted average common shares outstanding	24,192	19,675	12,292			
Diluted weighted average common share and common share equivalents outstanding	26,680	22,145	12,404			

	THE COMPANY			SL GREEN PREDECESSOR	
	DECEMBER 31,				
	1999	1998	1997	1996	1995
Balance Sheet Data:					
Commercial real estate, before accumulated depreciation	$908,866	$697,061	$338,818	$ 26,284	$ 15,559
Total assets	1,071,242	777,796	382,775	30,072	16,084
Mortgages and notes payable	435,693	162,162	128,820	16,610	12,700
Accrued interest payable..	2,650	494	552	90	2,894
Minority interest	41,494	41,491	33,906	---	---
Stockholders' equity/owners' (deficit)...............	406,104	404,826	176,208	(8,405)	(18,848)

	THE COMPANY			SL GREEN PRECEDESSOR		
	YEAR ENDED DECEMBER 31, 1999	YEAR ENDED DECEMBER 31, 1998	AUGUST 21 - DECEMBER 31, 1997	JANUARY 1 AUGUST 20, 1997	YEAR ENDED DECEMBER 31, 1996	1995
Other Data:						
Funds from operations after distributions to preferred share- holders (1)	$ 62,645	$ 42,858	$ 9,355	$ --	$ --	$---
Funds from operations before distributions to preferred shareholders(1)	71,845	48,578	9,355	--	--	--
Net cash provided by (used in) operating activities	48,013	22,665	5,713	2,838	272	(234)
Net cash provided by financing activities	195,990	347,382	224,234	2,782	11,960	63
Net cash (used in) investing activities	(228,678)	(376,593)	(217,165)	(5,559)	(12,375)	(432)

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(1) The White Paper on Funds from Operations ("FFO") approved by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT") in March 1995 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties and significant non-recurring events that materially distort the comparative measurement of the Company's performance over time, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. In October 1999, NAREIT revised the definition of FFO to include non-recurring events. This revised definition is effective for all periods beginning on or after January 1, 2000. The Company believes that FFO is helpful to investors as a measure of the performance of an equity REIT because, along with cash flow from operating activities, financing activities and investing activities, it provides investors with an indication of the ability of the Company to incur and service debt, to make capital expenditures and to fund other cash needs. The Company computes FFO in accordance with the current standards established by NAREIT which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than the Company. 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 the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it indicative of funds available for the Company's cash needs, including its ability to make cash distributions. For a reconciliation of net income and FFO, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Funds from Operations."

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

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 and the combined financial statements of SL Green Predecessor should be read in conjunction with the financial statements appearing in Item 8. In connection with the Formation Transactions as described in Note 1 to the financial statements there were significant changes in the financial condition and results of operations of the Company which are outlined below. Consequently, the comparison of the 1998/1997 historical periods provides only limited information regarding the operations of the Company. Therefore, in addition to the historical comparison, the Company has provided a comparison of the results of operations on a pro forma basis for that period.

RESULTS OF OPERATIONS

COMPARISON OF YEAR ENDED DECEMBER 31, 1999 TO YEAR ENDED DECEMBER 31, 1998

The following comparison for the year ended December 31, 1999 compared to the year ended December 31, 1998 makes reference to the following: (i) the effect of the "Same-Store Properties," which represents all properties owned by the Company at December 31, 1997, (ii) the effect of the "1998 Acquisitions," which represents all properties acquired in 1998, and (iiii) the effect of the "1999 Acquisitions," which represents all properties acquired in 1999.

Rental revenue for the year ended December 31, 1999 totaled $174.9 million representing an increase of $60.0 million compared to $114.9 million for the year ended December 31, 1998. The increase is primarily attributable to the revenue associated with the following: (i) Same-Store Properties which increased rental revenue $5.5 million, (ii) the 1998 Acquisitions which increased rental revenue by $30.0 million, and (iii) the 1999 Acquisitions which increased rental revenue by $24.5 million.

Escalation and reimbursement revenue for the year ended December 31, 1999 totaled $21.9 million representing an increase of $6.0 million compared to $15.9 million for the year ended December 31, 1998. The increase is primarily attributable to the revenue associated with the following: (i) the 1998 Acquisitions which increased revenue by $2.7 million, and (ii) the 1999 Acquisitions which increased revenue by $3.4 million, partially offset by the Same-Store Properties which decreased revenue by $0.1 million.

Signage revenue for the year ended December 31, 1999 totaled $1.7 million, representing an increase of $1.6 million compared to $0.1 million for the year ended December 31, 1998. The increase is primarily attributable to 1466 Broadway ($1.4 million) and 1414 Avenue of the Americas ($0.2 million).

Investment income totaled $5.3 million for the year ended December 31, 1999 representing an increase of $2.0 million compared to $3.3 million for the year ended December 31, 1998. The investment income for 1999 primarily represents interest income from the 17 Battery Park mortgage ($0.7 million), 521 Fifth Avenue ($1.3 million), 636 11th Avenue ($0.9 million), 1370 Avenue of the Americas ($1.6 million), interest on other mortgage notes ($0.3 million) and interest from excess cash on hand ($0.5 million).

Operating expenses for the year ended December 31, 1999 totaled $49.4 million representing an increase of $15.3 million compared to $34.1 million for the year ended December 31, 1998. The increase was primarily attributable to: (i) Same-Store Properties which increased operating expenses by $0.9 million, (ii) the 1998 Acquisitions which increased operating expenses by $5.7 million and (iii) the 1999 Acquisition properties which increased operating expenses by $8.7 million.

Ground rent for the year ended December 31, 1999 totaled $12.8 million representing an increase of $1.7 million compared to $11.1 million for the year ended December 31, 1998. This increase primarily resulted from increased ground rent at 420 Lexington Avenue ($1.2 million), and 711 Third Avenue ($0.5 million).

Interest expense for the year ended December 31, 1999 totaled $28.6 million representing an increase of $15.5 million compared to $13.1 million for the year ended December 31, 1998. This increase is primarily attributable to: (i) SameStore Properties ($2.6 million) as new secured mortgage financing was placed on assets in this portfolio, (ii) 1998 Acquisitions ($6.8 million) due to financing placed on 420 Lexington Avenue, 711 Third Avenue and 1412 Broadway, (iii) 1999 Acquisitions ($5.0 million) due to mortgage financing associated with these purchases and (iv) $1.1 million higher interest expense at the corporate level.

Depreciation and amortization for the year ended December 31, 1999 totaled $27.3 million representing an increase of $11.9 million compared to $15.4 million for the year ended December 31, 1998. The increase is primarily attributable to: (i) Same-Store Properties which increased depreciation by $1.3 million, (ii) the 1998 Acquisitions which increased depreciation by $6.4 million, (iii) the 1999 Acquisitions which increased depreciation by $3.2 million, and (iv) an increase in the amortization of deferred finance costs totaling $1.0 million associated with fees incurred on the Company's 1999 secured mortgage financings.

Real estate taxes for the year ended December 31, 1999 totaled $29.2 million representing an increase of $8.0 million compared to $21.2 million for the year ended December 31, 1998. The increase is primarily attributable to: (i) the 1998 Acquisitions which increased real estate taxes by $4.3 million, and (ii) the 1999 Acquisitions which increased real estate taxes by $4.0 million, partially offset by a decrease in real estate taxes at Same-Store Properties ($0.3 million) due to reduced tax rates.

Marketing, general and administrative expense for the year ended December 31, 1999 totaled $10.9 million representing an increase of $5.1 million compared to $5.8 million for the year ended December 31, 1998. The increase is primarily due to increased personnel costs associated with the Company's recent growth ($3.3 million) and increased public entity and technology costs ($0.9 million).

COMPARISON OF YEAR ENDED DECEMBER 31, 1998 TO YEAR ENDED DECEMBER 31, 1997

For discussion purposes, the results of operations from the year ended December 31, 1998 represent the operations of SL Green Realty Corp. and the results of operations for the year ended December 31, 1997 represent (i) the operating results of the SL Green Realty Predecessor (represented by 70 West 36th Street, 1414 Avenue of the Americas and 36 West 44th Street (since the acquisition date in July 1997) for the period January 1, 1997 to August 20, 1997 and (ii) the results of the Company from August 21, 1997 to December 31, 1997. The following transactions have occurred that have had a material impact on the comparison of the 1998 and 1997 results: (i) the Formation Transactions resulted in three buildings previously accounted for under the equity method (673 Third Avenue, 470 Park Avenue South and 29 West 35th Street) which are now reported as property results, three acquired buildings (50 West 23rd Street, 1140 Avenue of the Americas and 1372 Broadway) collectively the "IPO Acquisitions" being included in the 1998 results which were included in the 1997 results of the Company as of August 21, 1997; (ii) the results of 110 East 42nd Street (acquired September 1997) 17 Battery Place (acquired December 1997) and 633 Third Avenue (acquired December 1997) "the 1997 Acquisitions" are included in the consolidated results for 1998 and were included for only a portion of the 1997 results (iii) the results of 420 Lexington Avenue (acquired March 1998), 1466 Broadway (acquired March 1998), 321 West 44th Street (acquired March 1998), 711 Third Avenue (acquired May 1998), 440 Ninth Avenue (acquired June 1998) and 1412 Broadway (acquired August 1998) (the "1998 Acquisitions") which are included for a portion of the 1998 results, and were not included in the 1997 results.

Rental revenue for the year ended December 31, 1998 totaled $117.3 million representing an increase of $93.2 million compared to $24.1 million for the year ended December 31, 1997. The increase is primarily attributable to the revenue associated with the following: (i) the IPO Acquisitions which increased rental revenue $28.1 million (ii) the 1997 Acquisitions which increased rental revenue by $17.8 million, (iii) the 1998 Acquisitions which increased rental revenue by $46.9 million and (iv) $0.4 million due to increased rental revenue in the SL Green Predecessor buildings.

Escalation and reimbursement revenue for the year ended December 31, 1998 totaled $15.9 million representing an increase of $12.9 million compared to $3.0 million for the year ended December 31, 1997. The increase is primarily attributable to the revenue associated with the following: (i) the IPO Acquisitions which increased revenue by $3.3 million, (ii) the 1997 Acquisitions which increased revenue by $1.6 million, (iii) the 1998 Acquisitions which increased revenue by $8.0 million.

Investment income totaled $3.3 million for the year ended December 31, 1998 representing an increase of $2.8 million compared to $0.5 million for the year ended December 31, 1997. This amount primarily represents interest income from the 17 Battery Park mortgage ($1.9 million), interest on other mortgage notes ($0.4 million) and interest from excess cash on hand ($0.5 million).

As of the IPO date, third party management, leasing and construction revenues and related expenses are incurred by the Service Corporations, which are 95% owned subsidiaries of the Company, which are accounted for on the equity method. This change in recognition of income and expense from third party business activities was made in order to be consistent with the REIT qualifying income test, as defined by the IRS. Consequently, in 1998, management fees, leasing commissions and construction fees, were recorded on these operating subsidiaries, compared to the 1997 third party revenue, which was recorded on the SL Green Predecessor.

Operating expenses for the year ended December 31, 1998 totaled $36.5 million representing an increase of $28.3 million compared to $8.2 million for the year ended December 31, 1997. The increase was primarily attributable to: (i) the IPO Acquisitions which increased operating expenses by $6.3 million (ii) the 1997 Acquisitions which increased operating expenses by $6.7 million and (iii) the 1998 Acquisition properties with operating expenses of $15.3 million.

Ground rent for the year ended December 31, 1998 totaled $11.1 million representing an increase of $9.5 million compared to $1.6 million for the year ended December 31, 1997. This increase primarily results from newly acquired properties having ground and sub-lease lease arrangements at 420 Lexington Avenue ($6.0 million), and 711 Third Avenue ($0.8 million) and increased ground rent at 673 First Avenue ($2.5 million) and 1140 Avenue of the Americas ($0.2 million).

Interest expense for the year ended December 31, 1998 totaled $13.1 million representing an increase of $9.9 million compared to $3.2 million for the year ended December 31, 1997. This increase is primarily attributable to (i) interest incurred on the Company's Credit Facility, and Acquisition Facility ($7.0 million) principally used to acquire new properties (ii) interest from the December 1998 bridge financings ($0.3 million) and (iii) additional secured mortgage debt, including interest on the Company's capital lease obligation on 673 First Avenue which was previously accounted for under the equity method, ($2.6 million).

Depreciation and amortization for the year ended December 31, 1998 totaled $15.4 million representing an increase of $11.8 million compared to $3.6 million for the year ended December 31, 1997. The increase is primarily attributable to: (i) the IPO Acquisitions which increased depreciation by $4.2 milllion (ii) the 1997 Acquisitions which increased depreciation by $2.0 million (iii) the 1998 Acquisitions which increased depreciation by $4.6 million, (iv) and an increase in the amortization of deferred finance costs totaling $1.0 million associated with fees incurred on the Company's Credit Facility and Acquisition Facility.

Real estate taxes for the year ended December 31, 1998 totaled $21.2 million representing an increase of $17.0 million compared to $4.2 million for the year ended December 31, 1997. The increase is primarily attributable to (i) the IPO Acquisitions which increased real estate taxes by $4.2 million (ii) the 1997 Acquisitions which increased real estate taxes by $3.2 million and (iii) the 1998 Acquisitions which increased real estate taxes by $9.6 million.

Marketing, general and administrative expense for the year ended December 31, 1998 totaled $5.8 million representing an increase of $2.7 million compared to $3.1 million for the year ended December 31, 1997. The increase is due to increased personnel costs associated with the Company's recent growth ($2.1 million) and increased public entity and technology costs ($0.6 million). This increase was partially off-set by third party costs included in the 1997 expense which were reclassified to the Service Corporations in 1998 to correspond with the reclassification of third party revenue which has been included in equity in net loss from Service Corporations since August 21, 1997.

PRO FORMA RESULTS OF OPERATIONS

COMPARISON OF THE YEAR ENDED DECEMBER 31, 1998 TO THE YEAR ENDED DECEMBER 31, 1997

The pro forma statement of operations for the year ended December 31, 1997, is presented as if the Company's IPO and the Formation Transactions occurred on January 1, 1997 and the effect thereof was carried forward through December 31, 1997. In addition to the IPO and Formation Transactions, the following transactions also affect the 1998 and 1997 comparable results: (i) the results of 110 East 42nd Street (acquired September 1997), 17 Battery Place (acquired December 1997) and 633 Third Avenue (acquired December 1997) the "1997 Acquisitions" are included in the consolidated results for the full year ended December 31, 1998 and included only for a portion of the 1997 results and (ii) the results of 420 Lexington Avenue (acquired March 1998), 1466 Broadway (acquired March 1998), 321 West 44th Street (acquired March 1998) 711 Third Avenue (acquired May 1998), 440 Ninth Avenue (acquired June 1998) and 1412 Broadway (acquired August 1998) the "1998 Acquisitions" are included in a portion of the 1998 results and not included in the 1997 results. During May 1998, the Company completed two public offerings for 11.5 million shares of common stock and 4.6 million of preferred shares resulting in net proceeds of $353 million, net of underwriting costs.

The pro forma results of operations do not purport to represent what the Company's results would have been assuming the completion of the Formation Transactions and the Company's IPO at the beginning of the period indicated, nor do they purport to project the Company's financial results of operations at any future date or for any future period. The pro forma statements of operations should be read in

conjunction with the combined financial statements of SL Green Predecessor included in the Company's registration statements on Form S-11 dated May 12, 1998 and August 14, 1997 and the consolidated financial statements of the Company, included elsewhere herein.

Year ended December 31, 1998 compared to year ended December 31, 1997
(in thousands)
(Unaudited)

	1998 (Historical)	1997 (Pro forma) (Unaudited)	Dollar Change
REVENUE			
Rental revenue	$117,304	$ 49,472	$ 67,832
Escalation & reimbursement revenues	15,923	5,500	10,423
Investment income	3,267	485	2,782
Leasing commissions	--	2,251	(2,251)
Other income	478	1,676	(1,198)
Total revenues	136,972	59,384	77,588
Equity in net income from Service Corporations	387	168	219
EXPENSES			
Operating income	36,545	13,165	23,380
Ground rent	11,082	4,297	6,785
Interest	13,086	5,509	7,577
Depreciation and amortization	15,404	7,413	7,991
Real estate taxes	21,224	8,658	12,566
Loss on terminated contract	1,065	--	1,065
Loss on hedge transaction	176	--	176
Marketing, general and administrative	5,760	2,578	3,182
Total expenses	104,342	41,620	62,722
Income before minority interest, preferred stock dividends and extraordinary items	$ 33,017	$ 17,932	$ 15,085

Rental revenue for the year ended December 31, 1998 totaled $117.3 million representing an increase of $67.8 million compared to $49.5 million for the year ended December 31, 1997. The increase is primarily attributable to the revenue associated with the following properties not previously owned or acquired at the IPO date: (i) the 1997 acquisitions which increased rental revenue by $17.8 million, (ii) the 1998 acquisitions which increased rental revenue by $46.9 million and (iii) increased occupancy and additional rollover rental income in the other portfolio buildings which increased $3.1 million.

Escalation and reimbursement revenue for the year ended December 31, 1998 totaled $15.9 million an increase of $10.4 million compared to $5.5 million during the year ended December 31, 1997. The increase is attributable to the revenue associated with: (i) the 1997 Acquisitions which increased revenue by $1.6 million, (ii) the 1998 Acquisitions which increased revenue by $8.0 million and (iii) the properties owned or acquired at the IPO date where revenue increased by $0.8 million.

Investment income for the year ended December 31, 1998 totaled $3.3 million, which represents an increase of $2.8 million as compared to $0.5 million for the year ended December 31, 1997. The increase in interest income is primarily due to the 17 Battery Place mortgage ($1.9 million), other mortgage notes receivable ($0.4 million) and the balance ($0.5 million) earned from excess cash on hand.

Leasing commission income decreased $2.3 million. Leasing commission income as reported in the 1997 pro forma financial statements represents Tenant-Rep income through September 30, 1997 and is subsequently being recorded by the Service Corporations for the remainder of 1997 and the comparable 1998 period. Tenant-rep revenue totaled $2.6 million for the year ended December 31, 1998 representing a decrease of $0.3 million. This decrease reflects the strong results in the 1997 period.

Other income for the year ended December 31, 1998 totaled $0.5 million representing a decrease of $1.2 million as compared to December 31, 1997. The decrease is the result of 1997 lease termination income exceeding 1998 primarily due to a large tenant buy-out at 1372 Broadway.

Operating expenses for the year ended December 31, 1998 totaled $36.5 million representing an increase of $23.4 million compared to $13.1 million for the year ended December 31, 1997. The increase was primarily attributable to properties not previously owned or acquired at the IPO date: (i) the 1997 Acquisitions which increased operating expenses by $6.7 million and (ii) the 1998 Acquisitions which increased operating expenses by $15.3 million (iii) $1.4 million of increased costs from properties owned or acquired at the IPO date primarily due to the provision for tenant straight-line credit loss which increased $0.6 million.

Ground rent for the year ended December 31, 1998 totaled $11.1 million representing an increase of $6.8 million compared to $4.3 million for the year ended December 31, 1997. The increase is primarily attributable to the ground and sub-lease rent on new acquisitions at 420 Lexington Avenue ($6.0 million) and 711 Third Avenue ($0.8 million).

Interest expense for the year ended December 31, 1998 totaled $13.1 million representing an increase of $7.6 million compared to $5.5 million for the year ended December 31, 1997. The increase is primarily attributable to interest incurred on the Company's Credit Facility and Acquisition Facility ($7.0 million) and additional mortgage loans ($0.6 million).

Depreciation and amortization for the year ended December 31, 1998 totaled $15.4 million representing an increase of $8.0 million compared to $7.4 million for the year ended December 31, 1997. The increase is primarily attributable to properties not previously owned or acquired at the IPO date: (i) the 1997 Acquisitions which increased depreciation by $2.0 million (ii) the 1998 Acquisitions which increased depreciation by $4.6 million, (iii) amortization of financing costs increased $0.9 million primarily due to fees recognized on the Company's revolving line of credit and acquisition facility and (iv) the properties owned or acquired at the IPO date which increased $0.5 million primarily due to increased tenant improvement amortization.

Real estate taxes for the year ended December 31, 1998 totaled $21.2 million representing an increase of $12.5 million compared to $8.7 million for the year ended December 31, 1997. The increase is primarily attributable to properties not previously owned or acquired at the IPO date (i) the 1997 Acquisitions which increased real estate taxes by $3.2 million and (ii) the 1998 Acquisitions which increased real estate taxes by $9.6 million. These increases were partially off-set by a $0.3 million reduction in taxes related to the core and IPO properties primarily from lower tax rates and management's effort to obtain reductions in assessed values.

Marketing, general and administrative expense for the year ended December 31, 1998 totaled $5.8 million representing an increase of $3.2 million compared to $2.6 million for the year ended December 31, 1997. The increase is due to additional staffing, and incremental absorption of lost third party management related costs ($2.6 million), costs associated with management information systems and year 2000 compliance and higher public entity costs ($0.6 million).

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

Net cash provided by operating activities increased $25.3 million to $48.0 million for the year ended December 31, 1999 compared to $22.7 million for the year ended December 31, 1998. The increase was due primarily to the operating cash flow generated by the Same-Store Properties, 1998 Acquisitions and 1999 Acquisitions as a result of higher occupancy rates, rents which have been marked to market and flat property operating expense trends and an increase in investment income. Net cash used in investing activities decreased $147.9 million to $228.7 million for the year ended December 31, 1999 compared to $376.6 million for the year ended December 31, 1998. The decrease was due primarily to the decreased amount of property acquisitions in 1999 ($223 million) as compared to the amount of property acquisitions in 1998 ($357 million). Net cash provided by financing activities decreased $151.4 million to $196.0 million for the year ended December 31, 1999 compared to $347.4 million provided by financing activities for the year ended December 31, 1998. The decrease was primarily due to net proceeds from the Company's 1998 public offerings of common stock ($242.1 million) and preferred stock ($109.7 million) which were used to pay-off the Company's Acquisition Facility ($240 million) and purchase certain 1998 acquisitions as well as an increase in the dividends and distributions paid ($14.3 million).

CAPITALIZATION

During 1999, the Company financed its 1999 Acquisitions primarily with property level debt. This debt totaled $97.0 million with interest rates ranging from 7.98 percent to 8.10 percent at December 31, 1999.

At December 31, 1999, borrowings under the mortgage loans, and credit facilities represented 40.7% of the Company's market capitalization based on a total market capitalization (debt and equity including preferred stock), assuming conversion of all operating partnership units, of $1.2 billion (based on a common stock price of $21.75 per share, the closing price of the Company's common stock on the New York Stock Exchange on December 31, 1999). The Company's principal debt maturities are scheduled to be $113.7 million and $63.0 million for the years ending December 31, 2000 and 2001, respectively.

At December 31, 1999, the Company had $352.7 million of property level mortgage debt (weighted average interest rate of 8.06 percent), encumbering 15 properties. This was comprised of $270.7 million in fixed rate debt and $82.0 million in floating rate debt.

At December 31, 1999, the Company had availability of $49.5 million under its $140.0 million Credit Facility (weighted average interest rate of 7.82 percent).

On December 28, 1999, the Company closed on a $30.0 million credit facility with PSCC. The current borrowing capacity is $15.0 million, of which none was drawn down at December 31, 1999. The PSCC Facility is secured by the Company's preferred equity interest in 1370 Avenue of the Americas and a repurchase mortgage participation interest in the mortgage at 420 Lexington Avenue. Interest-only is payable based on the 1-Month LIBOR plus 125 basis points. The PSCC Facility may be prepaid at any time during its term without penalty. The PSCC Facility matures on December 27, 2000.

The Company is currently evaluating its options with respect to $113.7 million of debt maturing in 2000. The Company may refinance such debt or obtain new loans.

The Company expects to make distributions to its stockholders primarily based on its distributions received from the Operating Partnership primarily from property revenues or, if necessary, from working capital or borrowings.

The Company estimates that for the years ending December 31, 2000 and 2001, it will incur approximately $37.7 million and $18.2 million, respectively, of capital expenditures (including tenant improvements) on properties currently owned. In 2000 and 2001, $15.7 million and $9.1 million, respectively, of the capital investments will be associated with the redevelopment of properties acquired at or after the Company's IPO. The Company expects to fund these capital expenditures with the credit facilities, operating cash flow and cash on hand. Future property acquisitions may require substantial capital investments in such properties for refurbishment and leasing costs. The Company expects that these financing requirements will be provided primarily from the credit facilities, from additional borrowings secured by the properties and from future issuances of equity and debt. The Company believes that it will have sufficient capital resources to satisfy its obligations during the next 12 month period. Thereafter, the Company expects that capital needs will be met through net cash provided by operations or additional borrowings.

To maintain its qualification as a REIT, the Company must make annual distributions to its stockholders of at least 95 percent of its REIT taxable income, determined without regard to the dividends paid deduction and by excluding net capital gains. Moreover, the Company intends to continue to make regular quarterly distributions to its stockholders which, based upon current policy, in the aggregate would equal approximately $35.1 million on an annualized basis. However, any such distribution, whether for Federal income tax purposes or otherwise, would only be paid out of available cash after meeting both operating requirements and scheduled debt service on mortgages and loans payable.

FUNDS FROM OPERATIONS

The White Paper on FFO approved by the Board of Governors of NAREIT in March 1995 defines FFO as net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and sales of properties and significant non-recurring events that materially distort the comparative measurement of the Company's performance over time, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. In October 1999, NAREIT revised the definition of FFO to include non-recurring events. This revised definition is effective for all periods beginning on or after January 1, 2000. The Company believes that FFO is helpful to investors as a measure of the performance of an equity REIT because, along with cash flow from operating activities, financing activities and investing activities, it provides investors with an indication of the ability of the Company to incur and service debt, to make capital expenditures and to fund other cash needs. The Company computes FFO in accordance with the current standards established by NAREIT which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or that interpret the current NAREIT definition differently than the Company. 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 the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it indicative of funds available to fund the Company's cash needs, including its ability to make cash distributions.

On a pro forma basis after giving effect to the Offering, Funds from Operations for the year ended December 31, 1997 and for the years ended December 31, 1998 and 1999, on a historical basis, are as follows (in thousands):

	Year ended December 31		
	1999 (Historical)	1998 (Historical)	1997 (Pro forma)
Income before minority interest and extraordinary item	$48,966	$33,017	$17,932
Add:			
Depreciation and amortization	27,260	15,404	7,413
Loss on hedge transaction	---	176	---
Loss on terminated transaction	---	1,065	---
FFO adjustment for unconsolidated joint ventures	433	---	---
Less:			
Dividends on preferred shares	(9,200)	(5,720)	---
Minority interest in the BMW Building	(1,765)	---	---
Amortization of deferred financing costs and depreciation of non-rental real estate assets	(3,049)	(1,084)	(186)
Funds From Operations	$62,645	$ 42,858	$ 25,159
Cash flows provided by operating activities	$48,103	$22,665	
Cash flows used in investing activities	$(228,678)	$(376,593)	
Cash flows provided by financing activities	$195,990	$347,382	

In compliance with the White Paper issued by NAREIT in March 1995, the Company has excluded a loss from a hedge transaction ($176,000) and loss on terminated transaction ($1.1 million) from the calculation of FFO. The Company believes these transactions are non-recurring in nature based on the Company's operating history of not entering into these types of transactions and, therefore, are non-recurring and would materially distort the Company's performance if included in the calculation of FFO. In accordance with the revised White Paper issued by NAREIT in October 1999, these transactions would be included in the calculation of FFO.

INFLATION

Substantially all of the office leases provide for separate real estate tax and operating expense escalations over a base amount. In addition, many of the leases provide for fixed base rent increases or indexed escalations. The Company believes that inflationary increases may be at least partially offset by the contractual rent increases and expense escalations described above.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, which was scheduled to be adopted in years beginning after June 15, 1999. The Statement permits early adoption as of the beginning of any fiscal quarter after its issuance. In 1999, the FASB delayed implementation of FASB 133 by one year. The Company expects to adopt the new Statement effective January 1, 2001. The Statement will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The Company does not anticipate that the adoption of this Statement will have a significant effect on its results of operations or financial position.

YEAR 2000 COMPLIANCE

The Company identified three areas of focus for Year 2000 Compliance: internal information technology, property operating equipment, and third party service suppliers. The Company began a project to update its information technology resources by installing new hardware and software throughout the Company and completed the implementation of the systems during 1998. The Company inquired regarding compliance status from all vendors providing systems identified as having potential Year 2000 compliance problems. The Company then tested each system with these vendors. At present, the Company has no automated interfaces from third party service providers into the Company's financial systems. In addition, limited contingency procedures were drafted in the event of Year 2000 failures associated with critical property level systems on the Company's internal information technology.

The Company did not incur material direct costs related to Year 2000. These direct costs excluded the costs to replace the hardware and software systems, as the decision to replace these systems was not accelerated by Year 2000 issues.

Due to the Company's Year 2000 program, the Company experienced no operational problems relating to the Year 2000 issue. The Company has concluded the Year 2000 project and anticipates no further Year 2000 compliance issues or expenditures.

ITEM 7A MARKET RISK AND RISK MANAGEMENT POLICIES

The Company is exposed to changes in interest rates primarily from its floating rate debt arrangements. The Company currently does not use interest rate derivative instruments to manage exposure to interest rate changes. A hypothetical 100 basis point adverse move (increase) in interest rates along the entire interest rate curve would adversely affect the Company's annual interest cost by approximately $2.0 million annually.

The Company may enter into derivative financial instruments such as interest rate swaps and interest rate collars in order to mitigate its interest rate risk on a related financial instrument. The Company may designate these derivative financial instruments as hedges and apply deferral accounting. Gains and losses related to the termination of such derivative financial instruments are deferred and amortized to interest expense over the term of the debt instrument. The Company may also utilize interest rate contracts to hedge interest rate risk on anticipated debt offerings. These anticipatory hedges are designated, as effective hedges for identified debt issuances which have a high probability of occurring. Gains and losses resulting from changes in the market value of these contracts are deferred and amortized into interest expense over the life of the related debt instrument. The cost of hedges determined to be ineffective and hedges not correlated to financings are charged to operations.

Approximately $270.7 million of the Company's long-term debt bears interest at fixed rates, and therefore the fair value of these instruments is affected by changes in the market interest rates. The following table presents principal cash flows (in thousands) based upon maturity dates of the debt obligations and the related weighted-average interest rates by expected maturity dates for the fixed rate debt. The interest rate on the variable rate debt as of December 31, 1999 ranged from LIBOR plus 125 basis points to LIBOR plus 275 basis points.

LONG-TERM DEBT, INCLUDING CURRENT PORTION (IN THOUSANDS)	2000	2001	2002	2003	2004	THEREAFTER	TOTAL	FAIR VALUE
Fixed Rate	$ 3,675	$ 8,012	$ 6,374	$ 9,150	$ 78,477	$165,055	$270,743	$271,390
Average Interest Rate	7.96%	7.95%	7.93%	7.91%	7.81%			
Variable Rate	$109,950	$ 55,000	--	--	--	--	$164,950	$164,950

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

SL GREEN REALTY CORP

THE SL GREEN PREDECESSOR

UNCOMBINED JOINT VENTURES - COMBINED FINANCIAL STATEMENTS

Schedule

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
SL Green Realty Corp.

We have audited the accompanying consolidated balance sheets of SL Green Realty Corp. as of December 31, 1999 and 1998 and the related consolidated statements of income, stockholders' equity and cash flows for the two years ended December 31, 1999 and for the period August 21, 1997 (date of commencement of operations) to December 31, 1997. Our audits also included the financial statement schedule listed in the Index as Item 14(a)(2). These financial statements and schedule are the responsibility of SL Green Realty Corp.'s management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SL Green Realty Corp. at December 31, 1999 and 1998 and the consolidated results of their operations and their cash flows for the two years ended December 31, 1999 and for the period August 21, 1997 (date of commencement of operations) to December 31, 1997 in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/S/ Ernst & Young LLP

New York, New York
February 11, 2000
except for Note 20, as to
which the date is March 8, 2000

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
SL Green Realty Corp.

We have audited the accompanying combined statement of income, owners' equity and cash flows of SL Green Predecessor for the period from January 1, 1997 to August 20, 1997. We have also audited the financial statement schedule listed in the Index as Item 14(a)(2). These financial statements and schedule are the responsibility of SL Green Predecessor's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined results of SL Green Predecessor's operations and their cash flows for the period from January 1, 1997 to August 20, 1997 in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/S/ Ernst & Young LLP

New York, New York
February 10, 1998

SL GREEN REALTY CORP.
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	DECEMBER 31, 1999	DECEMBER 31, 1998
ASSETS		
Commercial real estate properties, at cost:		
Land and land interests	$ 132,081	$ 112,123
Buildings and improvements	632,004	492,568
Building leasehold	132,573	80,162
Property under capital lease	12,208	12,208
	908,866	697,061
Less accumulated depreciation	(56,983)	(37,317)
	851,883	659,744
Properties held for sale	25,835	--
Cash and cash equivalents	21,561	6,236
Restricted cash	34,168	18,635
Tenant and other receivables, net of allowance of $938 and $374 in 1999 and 1998, respectively	5,747	3,951
Related party receivables	463	245
Deferred rents receivable, net of reserve for tenant credit loss of $5,337 and $2,369 in 1999 and 1998, respectively	37,015	20,891
Investment in and advances to Service Corporation	4,978	10,694
Mortgage loans receivable and preferred equity investment	20,000	26,401
Investments in unconsolidated joint ventures	23,441	--
Deferred costs, net	30,540	15,282
Other assets	15,611	15,717
Total assets	$ 1,071,242	$ 777,796

SL GREEN REALTY CORP.
CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	December 31, 1999	December 31, 1998
LIABILITIES AND STOCKHOLDERS' EQUITY		
Mortgage notes payable	$ 352,693	$ 50,862
Secured bridge facilities	--	87,500
Revolving credit facilities	83,000	23,800
Accrued interest payable	2,650	494
Accounts payable and accrued expenses	17,167	5,588
Deferred revenue	306	--
Accounts payable to related parties	--	63
Capitalized lease obligations	15,017	14,741
Deferred land lease payable	11,611	9,947
Dividend and distributions payable	11,947	11,585
Security deposits	18,905	16,949
Total liabilities	513,296	221,529
Commitments and Contingencies		
Minority interests in Operating Partnership	41,494	41,491
8% Preferred Income Equity Redeemable SharesSM $0.01 par value $25.00 mandatory liquidation preference, 25,000 authorized and 4,600 outstanding at December 31, 1999 and 1998	110,348	109,950
STOCKHOLDERS' EQUITY		
Common stock, $0.01 par value 100,000 shares authorized, 24,184 and 23,952 issued and outstanding at December 31, 1999 and 1998, respectively	242	240
Additional paid - in capital	421,958	416,939
Deferred compensation plans	(6,610)	(3,266)
Officers' loans	(64)	(528)
Distributions in excess of earnings	(9,422)	(8,559)
Total stockholders' equity	406,104	404,826
Total liabilities and stockholders' equity	$ 1,071,242	$ 777,796

The accompanying notes are an integral part of these financial statements.

SL GREEN REALTY CORP.
STATEMENTS OF INCOME

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	SL GREEN REALTY CORP. (Consolidated) Years ended December 31, 1999	1998	August 21 to December 31, 1997	SL GREEN PREDECESSOR (Combined) January 1 to August 20, 1997
REVENUES				
Rental revenue	$ 174,939	$ 114,884	$ 20,033	$ 4,107
Escalation and reimbursement revenues	21,902	15,923	2,205	792
Signage rent	1,660	--	--	--
Management revenues, including $458 (1997), from affiliates	--	--	--	1,268
Leasing commissions	--	--	484	3,464
Construction revenues, net, including $6 (1997), from affiliates	--	--	--	77
Investment income	5,266	3,267	485	--
Other income	2,250	478	--	16
Total revenues	206,017	134,552	23,207	9,724
EXPENSES				
Operating expenses including $4,707(1999), $2,118 (1998), and $282 (1997) to affiliates	49,414	34,125	5,517	2,709
Real estate taxes	29,198	21,224	3,498	705
Ground rent	12,754	11,082	1,560	13
Interest	28,610	13,086	2,135	1,062
Depreciation and amortization	27,260	15,404	2,815	811
Loss on terminated project	--	1,065	--	--
Loss on hedge transaction	--	176	--	--
Marketing, general and administrative	10,922	5,760	948	2,189
Total expenses	158,158	101,922	16,473	7,489
Income before equity in net income (loss) from Service Corporation, equity in net income (loss) of unconsolidated joint ventures and uncombined joint ventures, minority interest, and extraordinary item	47,859	32,630	6,734	1,465
Equity in net income/(loss) from Service Corporation	730	387	(101)	--
Equity in net income of unconsolidated joint ventures	377	--	--	--
Equity in net (loss) of uncombined joint ventures	--	--	--	(770)
Minority interest:				
Operating partnership	(3,356)	(3,043)	(1,074)	--
Partially owned properties	(1,765)	--	--	--
Extraordinary item, net of minority interest of $90, $52 and $362 in 1999, 1998 and 1997, respectively	(989)	(522)	(1,874)	22,087
Net income	42,856	29,452	3,685	23,552
Preferred stock dividends	(9,200)	(5,720)	--	--
Preferred stock accretion	(398)	(250)	--	--
Net income available to common shareholders	$ 33,258	$ 23,482	$ 3,685	$ 23,552
Per share data:				
Income per common share before extraordinary item	$ 1.41	$ 1.22	$ 0.45	
Extraordinary item per common share	(0.04)	(0.03)	(0.15)	
Net income per common share - basic and diluted	$ 1.37	$ 1.19	$ 0.30	
Basic weighted average common shares outstanding	24,192	19,675	12,292	
Diluted weighted average common shares and common share equivalents outstanding	26,680	22,145	12,404	

The accompanying notes are an integral part of these financial statements.

SL GREEN REALTY CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Common Stock	Additional Paid-In Capital	Deferred Compensation Plan	Officers' Loans	Distributions In Excess of Earnings	Total
Balance at August 21, 1997 (inception)						
Net proceeds from initial public offering of common stock	$ 123	$ 223,366	--	--	--	$ 223,489
Net income	--	--	--	--	$ 3,685	3,685
Cash distributions declared ($0.51 per common share of which none represented a return of capital for federal income tax purposes)	--	--	--	--	(6,269)	(6,269)
Contribution of the net assets of SL Green Predecessor in exchange for Units of the Operating Partnership and other Formation Transactions	--	(44,697)	--	--	--	(44,697)
Balance at December 31, 1997	123	178,669	--	--	(2,584)	176,208
Net income	--	--	--	--	29,452	29,452
Preferred dividend and accretion requirement	--	--	--	--	(5,970)	(5,970)
Issuance of common stock net offering cost ($1,615) and revaluation increase in minority interest ($6,934)	115	234,709	--	--	--	234,824
Deferred compensation plan	2	3,561	$ (3,563)	--	--	--
Amortization of deferred compensation plan	--	--	297	--	--	297
Cash distributions declared ($1.40 per common share of which none represented a return of capital for federal income tax purposes)	--	--	--	--	(29,457)	(29,457)
Officers' loan net	--	--	--	$ (528)	--	(528)
Balance at December 31, 1998	240	416,939	(3,266)	(528)	(8,559)	404,826
Net income	--	--	--	--	42,856	42,856
Preferred dividend and accretion requirement	--	--	--	--	(9,598)	(9,598)
Deferred compensation plan and stock award	2	5,019	(4,771)	--	--	250
Amortization of deferred compensation plan	--	--	1,427	--	--	1,427
Cash distributions declared ($1.41 per common share of which $0.10 represented a return of capital for federal income tax purposes)	--	--	--	--	(34,121)	(34,121)
Officers' loan, net	--	--	--	464	--	464
Balance at December 31, 1999	$ 242	$ 421,958	$ (6,610)	$ (64)	$ (9,422)	$ 406,104

The accompanying notes are an integral part of these financial statements.

SL GREEN REALTY CORP.
COMBINED STATEMENT OF OWNERS' EQUITY
(AMOUNTS IN THOUSANDS)

	SL Green Predecessor
Balance at December 31, 1996	$ (8,405)
Distributions	(4,024)
Contributions	25
Net income for the period ended August 20, 1997	23,552
Balance at August 20, 1997	$ 11,148

The accompanying notes are an integral part of these financial statements.

SL GREEN REALTY CORP.
STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	SL Green Realty Corp (Consolidated) Years ended December 31, 1999	SL Green Realty Corp (Consolidated) Years ended December 31, 1998	SL Green Realty Corp August 21 to December 31 1997	SL Green Predecessor (Combined) January 1 to August 20, 1997
OPERATING ACTIVITIES				
Net income	$ 42,856	$ 29,452	$ 3,685	$ 23,552
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	27,260	15,404	2,815	811
Equity in net (income) loss from Service Corporation	(730)	(387)	101	--
Equity in net (income) from unconsolidated joint ventures	(377)			
Minority interest	5,121	2,991	712	--
Share of net (income) from uncombined joint ventures---	--	--	(21,072)	
Deferred rents receivable	(20,363)	(11,748)	(946)	(102)
Provision for straight-line credit loss	3,883	2,420	--	--
Amortization for officer loans and deferred compensation	1,891	747	--	--
Extraordinary item - non-cash portion, net of minority interest in 1999, 1998 and 1997	989	574	803	--
Changes in operating assets and liabilities:				
Restricted cash	(9,229)	(6,147)	(223)	--
Tenant and other receivables, net	(2,391)	(3,213)	(614)	(190)
Related party receivables	(204)	619	(1,633)	(365)
Deferred costs	(14,578)	(5,810)	(707)	(279)
Other assets	1,393	(8,441)	(3,101)	656
Accounts payable, accrued expenses and other liabilities	10,829	4,738	4,524	(173)
Deferred land lease payable	1,663	1,466	297	--
Net cash provided by operating activities	48,013	22,665	5,713	2,838
INVESTING ACTIVITIES				
Additions to land, buildings and improvements	(223,240)	(357,243)	(217,165)	(7,411)
Investment in and advances to Service Corporation	6,446	(8,449)	--	--
Investments in unconsolidated joint ventures	(18,285)	--	--	--
Mortgage loan receivable	6,401	(10,901)	--	--
Contributions to partnership investments	--	--	--	(25)
Distributions from partnership investments	--	--	--	1,877
Net cash used in investing activities	(228,678)	(376,593)	(217,165)	(5,559)

The accompanying notes are an integral part of these financial statements.

SL GREEN REALTY CORP.
STATEMENTS OF CASH FLOWS (CONTINUED)

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)

	SL Green Realty Corp. (Consolidated) Years ended December 31, 1999	1998	August 21, to December 31, 1997	SL Green Predecessor (Combined) January 1, to August 20, 1997
FINANCING ACTIVITIES				
Proceeds from mortgage notes payable	339,775	--	21,000	7,000
Payments of mortgage notes payable	(62,144)	(1,958)	(76,822)	(219)
Proceeds from bridge financings	--	327,460	--	--
Repayments of bridge financings	(87,500)	(239,960)	--	--
Proceeds from senior revolving credit facility	138,500	155,250	76,000	--
Repayments of senior revolving credit facility	(79,300)	(207,450)	--	--
Capitalized lease obligation	276	251	58	--
Mortgage loan receivable	--	--	(15,500)	--
Net proceeds from sale of 8% mandatory preferred stock	--	109,700	--	--
Cash distributions to owners	--	--	--	(4,024)
Cash contributions from owners	--	--	--	25
Dividends and distributions paid	(46,389)	(32,144)	(2,348)	--
Deferred loan costs	(7,228)	(5,822)	(1,643)	--
Net proceeds from sale of common stock	--	242,055	228,704	--
Formation expenses	--	--	(5,215)	--
Net cash provided by financing activities	195,990	347,382	224,234	2,782
Net increase (decrease) in cash and cash equivalents	15,325	(6,546)	12,782	61
Cash and cash equivalents at beginning of period	6,236	12,782	--	476
Cash and cash equivalents at end of period	$ 21,561	$ 6,236	$ 12,782	$ 537
Supplemental cash flow disclosures				
Interest paid	$ 26,454	$ 13,144	$ 1,583	$ 1,085
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES				
Land interest acquired for operating partnership units		$ 1,000		
Assets acquired				
Commercial real estate, net			$ 91,123	
Other assets	$ 7,714		$ 16,751	
Liabilities assumed	$ 4,861			
Issuance of common stock as deferred compensation	$ 5,019	$ 3,561		
Contribution of property to joint venture	$ 25,579			
Mortgage notes payable assumed	$ 45,000		$ 73,073	
Mortgage notes payable assigned to joint venture	$ 20,800			
Capitalized lease obligation			$ 14,431	
Deferred land lease			$ 8,184	
Security deposits payable			$ 4,262	

In December 1999, 1998 and 1997 the Company declared distributions per share of $0.3625, $0.35 and $0.35, respectively. These distributions were paid in January 2000, 1999 and 1998, respectively.

The accompanying notes are an integral part of these financial statements.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

1. ORGANIZATION AND BASIS OF PRESENTATION

INITIAL PUBLIC OFFERING AND FORMATION TRANSACTIONS

SL Green Realty Corp. (the "Company"), a Maryland corporation, and SL Green Operating Partnership, L.P., (the "Operating Partnership"), a Delaware limited partnership, were formed in June 1997 for the purpose of combining the commercial real estate business of S.L. Green Properties, Inc. and its affiliated partnerships and entities ("SL Green Predecessor"). The Operating Partnership received a contribution of interest in the real estate properties as well as 95% of the economic interest in the management, leasing and construction companies (the "Service Corporation"). The Company qualifies as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended and operates as a fully integrated, self-administered, self-managed REIT. A REIT is a legal entity that holds real estate interests and, through payments of dividends to shareholders, is permitted to reduce or avoid the payment of Federal income taxes at the corporate level.

Concurrent with the consummation of the initial public offering (the "IPO") in August 1997, the Company and the Operating Partnership, together with the partners and members of the affiliated partnerships of the SL Green Predecessor and other parties which held ownership interests in the properties contributed to the Operating Partnership (collectively, the "Participants"), engaged in certain formation transactions (the "Formation Transactions").

Substantially all of the Company's assets are held by, and it conducts its operations through, the Operating Partnership. The Company is the sole managing general partner of the Operating Partnership.

PRINCIPLES OF COMBINATION - SL GREEN PREDECESSOR

The SL Green Predecessor was not a legal entity but rather a combination of real estate properties and affiliated real estate management, construction and leasing entities under common control and management of Stephen L. Green and interests owned by Stephen L. Green in entities accounted for on the equity method (see Note 4) that were organized as partnerships and a limited liability company. The entities included in this financial statement have been combined for only the periods that they were under common control and management. All significant intercompany transactions and balances have been eliminated in combination. Capital contributions, distributions and profits and losses are allocated in accordance with the terms of the applicable agreements.

For the entities accounted for on the equity method, SL Green Predecessor records its investments in partnerships and limited liability company at cost and adjusts the investment accounts for its share of the entities' income or loss and for cash distributions and contributions.

SERVICE CORPORATION

In order to maintain the Company's qualification as a REIT while realizing income from management, leasing and construction contracts from third parties, all of the management operations with respect to properties in which the Company does not own a 100% interest are conducted through an unconsolidated company, the Service Corporation. The Company, through the Operating Partnership, owns 100% of the non-voting common stock (representing 95% of the total equity) of the Service Corporation. Through dividends on its equity interest, the Operating Partnership receives substantially all of the cash flow (if any) from the Service Corporation's operations. All of the voting common stock of the Service Corporation (representing 5% of the total equity) is held by an SL Green affiliate. This controlling interest gives the SL Green affiliate the power to elect all directors of the Service Corporation. The Company accounts for its investment in the Service Corporation on the equity method of accounting because it has significant influence with respect to management and operations, but does not control the entity.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

All of the management, leasing and construction services with respect to the properties wholly-owned by the Company, are conducted through Management LLC which is 100% owned by the Operating Partnership.

PARTNERSHIP AGREEMENT

In accordance with the partnership agreement of the Operating Partnership (the "Operating Partnership Agreement"), all allocations of distributions and profits and losses are to be made in proportion to the percentage ownership interests of their respective partners. As the managing general partner of the Operating Partnership, the Company will be required to take such reasonable efforts, as determined by it in its sole discretion, to cause the Operating Partnership to distribute sufficient amounts to enable the payment of sufficient distributions by the Company (95% of taxable income) to avoid any Federal income or excise tax at the Company level. Under the Operating Partnership Agreement each limited partner will have the right to redeem limited partnership interest for cash, or if the Company so elects shares of common stock. In accordance with the Operating Partnership Agreement, the Company is prohibited from selling 673 First Avenue and 470 Park Avenue South through August 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries, which are wholly-owned or controlled by the Company. Entities which are not controlled by the Company are accounted for under the equity method (see Note 6). All significant intercompany balances and transactions have been eliminated.

INVESTMENT IN COMMERCIAL REAL ESTATE PROPERTIES

Rental properties are stated at cost less accumulated depreciation and amortization. Costs directly related to the acquisition and redevelopment of rental properties are capitalized. Ordinary repairs and maintenance are expensed as incurred; major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Category	Term
Building (fee ownership)	40 years
Building improvements	shorter of remaining life of the building or useful life
Building (leasehold interest)	lesser of 40 years or remaining life of the lease
Property under capital lease	49 years (lease term)
Furniture and fixtures	four to seven years
Tenant improvements	shorter of remaining life of the lease or useful life

Depreciation expense (including amortization of the capital lease asset) amounted to $22,672 and $13,555 for the years ended December 31, 1999 and 1998, respectively, $2,526 for the period August 21, 1997 to December 31, 1997 and $591 for the period January 1, 1997 to August 20, 1997.

On a periodic basis, management assesses whether there are any indicators that the value of the real estate properties may be impaired. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the property over the fair value of the property. Management does not believe that the value of any of its rental properties is impaired.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

The Company accounts for its investments in unconsolidated joint ventures under the equity method of accounting as the Company exercises significant influence, but does not control these entities. These investments are recorded initially at cost, as investments in unconsolidated joint ventures, and subsequently adjusted for equity in earnings (loss) and cash contributions and distributions. Any difference between the carrying amount of these investments on the balance sheet of the Company and the underlying equity in net assets is amortized as an adjustment to equity in earnings (loss) of unconsolidated joint ventures over 40 years. See Note 6.

RESTRICTED CASH

Restricted cash primarily consists of security deposits held on behalf of tenants.

DEFERRED LEASE COSTS

Deferred lease costs consist of fees and direct costs incurred to initiate and renew operating leases and are amortized on a straight-line basis over the related lease term. Certain of the employees of the Company provide leasing services to the Properties. A portion of their compensation, approximating $1,572, $645 and $257 for the years ended December 31, 1999 and 1998, and the period August 21, 1997 to December 31, 1997, respectively, was capitalized and is amortized over an estimated average lease term of seven years.

DEFERRED FINANCING COSTS

Deferred financing costs represent commitment fees, legal and other third party costs associated with obtaining commitments for financing which result in a closing of such financing. These costs are amortized over the terms of the respective agreements. Unamortized deferred financing costs are expensed when the associated debt is refinanced before maturity. Costs incurred in seeking financial transactions which do not close are expensed in the period. Deferred costs associated with the Company's forward treasury lock (see Note 8) are classified as deferred financing costs and are being amortized over the term of the related mortgage financings.

REVENUE RECOGNITION

Rental revenue is recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the accompanying balance sheets. The Company establishes, on a current basis, a reserve for future potential tenant credit losses which may occur against this account. The balance reflected on the balance sheet is net of such allowance.

RENT EXPENSE

Rent expense is recognized on a straight-line basis over the initial term of the lease. The excess of the rent expense recognized over the amounts contractually due pursuant to the underlying lease is included in the deferred land lease payable in the accompanying balance sheet.

INCOME TAXES

The Company is taxed as a REIT under Section 856(c) of the Internal Revenue Code of 1986, as amended, commencing with the period August 21, 1997 to December 31, 1997. As a REIT, the Company generally is not subject to Federal income tax. To maintain qualification as a REIT, the Company must distribute at least 95% of its REIT taxable income to its stockholders and meet certain other requirements. If the Company fails to qualify as a REIT in any taxable year, the Company will be subject to Federal income tax on its taxable income at regular corporate rates. The Company may also be subject to certain state and local taxes on its income and property. Under certain circumstances, Federal income and excise taxes may be due on its undistributed taxable income.

UNDERWRITING COMMISSIONS AND COSTS

Underwriting commissions and costs incurred in connection with the Company's stock offerings are reflected as a reduction of additional paid-in-capital.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

STOCK -BASED COMPENSATION

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations ("APB No. 25"). Under APB No. 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted closing market price of the Company's stock on the business day preceding the grant date. Accordingly, no compensation cost has been recognized for the Company's stock option plans. Awards of stock, restricted stock or employee loans to purchase stock, which may be forgiven over a period of time, are expensed as compensation on a current basis over the benefit period.

EXTRAORDINARY ITEM

Extraordinary item represents the effect resulting from the early settlement of certain debt obligations, including related deferred financing costs, prepayment penalties, yield maintenance payments and other related items.

INTEREST RATE HEDGE TRANSACTIONS

The Company may enter into derivative financial instruments such as interest rate swaps and interest rate collars in order to mitigate its interest rate risk on a related financial instrument. The Company may designate these derivative financial instruments as hedges and apply deferral accounting. Gains and losses related to the termination of such derivative financial instruments are deferred and amortized to interest expense over the term of the debt instrument.

The Company may also utilize interest rate contracts to hedge interest rate risk on anticipated debt offerings. These anticipatory hedges are designated, and effective, as hedges of identified debt issuances which have a high probability of occurring. Gains and losses resulting from changes in the market value of these contracts are deferred and amortized into interest expense over the life of the related debt instrument. Hedges determined to be ineffective and hedges not correlated to financings are charged to operations.

EARNINGS PER SHARE

In accordance with the Statement of Financial Accounting Standards No. 128 ("FASB No. 128"), the Company presents both basic and diluted earnings per share ("EPS"). Basic EPS excludes dilution and is computed by dividing net income available to common stockholders by the weighted average number of shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock, where such exercise or conversion would result in a lower EPS amount.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash investments and accounts receivable. The Company places its cash investments with high quality institutions. Management of the Company performs ongoing credit evaluation of its tenants and requires certain tenants to provide security deposits. Though these security deposits are insufficient to meet the terminal value of a tenant's lease obligation, they are a measure of good faith and a source of funds to offset the economic costs associated with lost rent and the costs associated with retenanting the space. Although the SL Green Predecessors' buildings and new acquisitions are all located in Manhattan, a borough of New York City ("Manhattan"), the tenants located in these buildings operate in various industries and no single tenant represents 10% of the Company's revenue. Approximately 19% of the Company's revenue for the period August 21, 1997 to December 31, 1997 was derived from 673 First Avenue. Approximately 19% and 11% of the Company's revenue was derived from 420 Lexington Avenue and 17 Battery Place, respectively, for the year ended December 31, 1998. Approximately 18% and 10% of the Company's revenue was

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

derived from 420 Lexington Avenue and 555 West 57th Street, respectively, for the year ended December 31, 1999. The Company currently has 78% of its workforce covered by three collective bargaining agreements which service all of the Company's properties.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 1998, the FASB issued Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, which was scheduled to be adopted in years beginning after June 15, 1999. The Statement permits early adoption as of the beginning of any fiscal quarter after its issuance. In 1999, the FASB delayed implementation of FASB 133 by one year. The Company expects to adopt the new Statement effective January 1, 2001. The Statement will require the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through income. If a derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will either be offset against the change in fair value of the hedged asset, liability, or firm commitment through earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative's change in fair value will be immediately recognized in earnings. The Company does not anticipate that the adoption of this Statement will have a significant effect on its results of operations or financial position.

MARKETABLE SECURITIES

Marketable securities held by the preferred stock subsidiaries in 1998 were classified as available for sale. The cost of these securities approximated their fair value.

RECLASSIFICATION

Certain 1998 balances have been reclassified to conform with the 1999 presentation.

3. PROPERTY ACQUISITIONS

1999 ACQUISITIONS

During January 1999, the Company purchased a sub-leasehold interest in 420 Lexington Avenue for $27,300. The sub-leasehold expires on December 30, 2008 with one 21-year renewal term expiring on December 30, 2029.

During January 1999, the Company acquired a 65% controlling interest in 555 West 57th Street (the "BMW Building") for approximately $66,700 (including 65% interest in the previously existing third-party mortgage debt totaling $45,000). The 941,000 square foot property was approximately 100% leased as of the acquisition date. On November 5, 1999 the Company acquired the remaining 35% interest in the BMW Building for $34,100. Simultaneous with this closing, the Company obtained a new $70,000 first mortgage from Bank of New York and repaid the $45,000 debt assumed (see Note 8).

During May 1999, the Company acquired four Manhattan properties located at 90 Broad Street ("90 Broad"), 286, 290 and 292 Madison Avenue (the "Madison Properties") (collectively, the "Tower Properties") for $84,500. The properties total 675,000 square feet and were approximately 89% leased as of the acquisition date. During July 1999, the Company contributed 90 Broad into a joint venture arrangement (see Note 6).

1998 ACQUISITIONS

On January 8, 1998, the Company acquired fee title to its property located at 1372 Broadway. Prior to this date the Company held a mortgagee's interest in this property with a right to acquire the fee.

During March 1998, the Company purchased the operating leasehold interest in the property located at 420 Lexington Avenue (the "Graybar Building") and the fee interest in the property located at 1466 Broadway from the Helmsley organization (together the "Helmsley Properties") for $142,000. The Graybar Building is located adjacent to Grand Central Station and encompasses approximately 1.2 million square feet and the property at 1466 Broadway is located at 42nd Street and Broadway encompassing approximately 290,000 square feet.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

During March 1998 the Company purchased the property located at 321 West 44th Street for approximately $17,000, consisting of approximately 209,000 square feet.

On April 14, 1998, the Company converted its mortgage interest in 36 West 44th Street into a fee interest and its mortgage interest in 36 West 43rd Street into a leasehold interest (collectively the "Bar Building") for an additional cost of approximately $1,000.

On May 21, 1998 the Company acquired the outstanding mortgage of the property located at 711 Third Avenue for approximately $44,600 in cash. The 20-story, 524,000 square foot building was 79% occupied at the date of acquisition. The Company's outstanding mortgage position provides for the Company to receive 100% of the economic benefit from the property, and accordingly for the period owned, the Company has recorded the operating results of the property in the statement of operations. On July 2, 1998 the Company acquired 50% of the fee interest in 711 Third Avenue for $20,000 and 44,772 Operating Partnership Units.

On June 1, 1998 the Company acquired the property located at 440 Ninth Avenue for approximately $32,000 in cash. The 18-story, 340,000 square foot building was 76% occupied at the date of acquisition. In connection with this purchase, the Company obtained a $6,200 mortgage note receivable secured by the property located at 38 East 30th Street. The note's interest rate was 8% and was paid back during September 1998.

On August 6, 1998 the Company closed the acquisition of an existing first mortgage secured by the property located at 636 11th Avenue, which is a 469,000 square foot industrial and warehouse block front property located between 46th and 47th Streets for $10,900. The mortgage bore interest at 8.875% at December 31, 1998. The Company had contracted to buy this mortgage on June 11, 1998 and simultaneously entered into an agreement to purchase the property during January 1999. This property was in Chapter 11 bankruptcy proceedings. During January 1999 the Company terminated this purchase agreement. The unrecoverable project costs and settlement costs resulted in a $1,100 charge to 1998 earnings.

On August 14, 1998 the Company purchased the property located at 1412 Broadway (The Fashion Gallery Building) for $72,000, plus approximately $5,000 for reimbursement of loan prepayment charges and $5,000 related to capital expenditures, commissions and other closing costs. The property is a 25-story office building totaling 389,000 square feet and had an occupancy rate at the date of acquisition, including pending leases, of 89.5%.

1997 ACQUISITIONS

In connection with the Formation Transaction (see Note 1), the Company acquired the first mortgage related to 1372 Broadway on August 21, 1997 which provides for substantially all of the economic interest in the property and has the sole right to purchase the fee interest; accordingly, the Company has accounted for the 1372 Broadway investment as ownership interest in the property. The Company purchased the fee interest in January 1998 for approximately $1,000.

On September 15, 1997, the Operating Partnership acquired the land and building at 110 East 42nd Street for $30,000. The acquisition was funded by proceeds of a Lehman Brothers Holdings, Inc. ("LBHI") loan and the Offering.

On December 19, 1997, the Operating Partnership exercised the Company's option to acquire an interest in 17 Battery Place for approximately $59,000. In connection with this acquisition, the Company also loaned $15,500 to the co-tenant at 17 Battery Place. The mortgage receivable bore interest at 12% and was due March 31, 1999 and was secured by a first mortgage on the mortgagor's condominium interest in the property. The borrower did not make the scheduled payment on March 31, 1999, putting the loan into default. The Company began collection proceedings and collected the principal in full in addition to collecting all accrued interest. The cash required to purchase the property and fund the loan were financed through borrowings under the Company's senior unsecured revolving credit facility.

On December 30, 1997 the Operating Partnership acquired a condominium ownership interest at 633 Third Avenue for $10,500 and a capital reserve of $1,000 (subsequently returned in 1998). The acquisition was funded by proceeds from a mortgage loan on 50 West 23rd Street and cash on hand.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

PRO FORMA

The following table summarizes, on an unaudited pro forma basis, the combined results of operations of the Company for the years ended December 31, 1999 and 1998 as though the 1999 Acquisitions and the 1998 Acquisitions described above and the May 1998 Offering (see Note 13) were made on January 1, 1998.

	1999	1998
Pro forma revenues	$212,206	$192,826
Pro forma net income	$33,470	$31,880
Pro forma basic earnings per common share	$1.38	$1.33
Pro forma diluted earnings per common share	$1.38	$1.33
Common and common equivalent share - basic	24,184	23,952
Common and common equivalent share - diluted	24,229	23,993

4. INVESTMENT IN UNCOMBINED JOINT VENTURES

The SL Green Predecessor's investments in three partnerships and a limited liability company had been accounted for under the equity method since control was shared with other parties.

Condensed combined statements of operations of the partnerships and the limited liability company, are as follows:

	JANUARY 1, TO AUGUST 20, 1997
CONDENSED STATEMENTS OF OPERATIONS	
Rental revenue and escalations	$13,463
Other revenue	89
Total revenues	13,552
Interest	5,320
Depreciation and amortization	2,510
Operating and other expenses	7,142
Total expenses	14,972
Operating loss before outside partner's interest	(1,420)
Elimination of inter-company management fees	240
Extraordinary gain on forgiveness of debt	33,418
Other partner share of the (income)	(10,921)
Income allocated to the SL Green Predecessor	$21,317

There were several business relationships with related parties which involved management, leasing and construction fee revenues and maintenance expense. Transactions relative to the combined statements of operations and balance sheet for the equity investees include the following before elimination of intercompany transactions:

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	JANUARY 1, TO AUGUST 20, 1997
Management fee expenses	$448
Leasing commission expenses	295
Construction fees	1,796
Maintenance expenses	186

5. MORTGAGE LOANS RECEIVABLE AND PREFERRED EQUITY INVESTMENT

On January 15, 1999, the Company discontinued the current redevelopment and subsequent purchase of 636 11th Avenue, and did not purchase the 469,000 square foot industrial and warehouse property. Termination of the purchase agreement signed last June resulted in a 1998 charge of approximately $1,100. The Company continued to hold a $10,900 first mortgage which was fully secured by the property yielding a current rate of 8.875%, increasing to 9%, effective April 1, 1999. This loan was repaid in full in December 1999.

During April 1999, the Company originated and funded a $20,000 second mortgage bridge loan to finance 521 Fifth Avenue Partners, LLC's acquisition of a 440,000 square foot Manhattan office building located at 521 Fifth Avenue. The second mortgage bridge loan which had an initial term of six months with a yield of 16%, was extended for an additional three months with an expected yield of 17%. Goldman Sachs Mortgage Company purchased a 50% participation in the investment. This loan was repaid in full in December 1999.

During May 1999, the Company acquired a $20,000 preferred equity interest in a venture holding the loan secured by fee title of 1370 Avenue of the Americas located in Manhattan. The venture is entitled to receive all of the cash flows from the building, in addition to shared control over the management and leasing of the property. The venture also has the right to obtain fee title to the property after a prescribed period of time. The Company has also been reappointed manager of the property. The investment entitled the Company to receive a yield of 700 basis points over 30-day LIBOR preferentially on a current basis. In addition to receiving its preferred return, the Company may participate in the value it creates through a purchase option, entitling it to acquire 50% of the common equity of the venture at a fixed price, based on today's estimate of market value of the property. Further, the Company may obtain 100% of the venture through the exercise of a right of first offer.

6. INVESTMENT IN UNCONSOLIDATED JOINT VENTURES

During July 1999, the Company entered into a joint venture agreement with Morgan Stanley Real Estate Fund III, L.P. to own 90 Broad located in Manhattan. The property was contributed to the venture by the Company and the Company retained a 35% economic interest in the venture. At the time of the contribution the property was valued at $34,600 which approximated the Company's cost basis in the asset. In addition, the venture assumed the existing $20,800 first mortgage that was collateralized by the property. The Company will continue to provide management, leasing and construction services at the property on a fee basis. During 1999, the Company earned $62 for such services. The venture agreement provides the Company with an opportunity to receive a promotional interest with respect to sales proceeds and cash distributions once a fixed hurdle rate is achieved.

During August 1999, the Company entered into a joint venture agreement with Carlyle Realty to purchase 1250 Broadway located in Manhattan for $93,000. The property is 670,000 square feet and was 97% leased at acquisition. The Company holds a 49.9% stake in the venture and provides management, leasing and construction services at the property on a fee basis. During 1999, the Company earned $371 for such services. The acquisition was partially financed with a floating rate mortgage

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

totaling $64.7 million maturing in 3 years. This facility has the ability to be increased to $69,700 as funding of capital requirements is needed. The interest rate is 300 basis points over 30-day LIBOR (9.48% at December 31, 1999). The venture agreement provides the Company with an opportunity to receive a promotional interest with respect to sales proceeds and cash distributions once a fixed hurdle rate is achieved.

The condensed balance sheet for the unconsolidated joint ventures at December 31, 1999, is as follows:

	1999
ASSETS	
Commercial real estate property	$130,585
Other assets	14,236
Total Assets	$144,821
LIABILITIES AND MEMBERS' EQUITY	
Mortgage payable	$85,450
Other liabilities	7,278
Members' equity	52,093
Total liabilities and members' equity	$ 144,821
Company's net investment in unconsolidated joint ventures	$ 23,441

The condensed statement of operations for the unconsolidated joint ventures from acquisition date through December 31, 1999 is as follows:

	1999
Total revenues	$ 9,433
Operating expense	3,069
Real estate taxes	1,522
Interest	2,606
Depreciation and amortization	1,356
Total expenses	8,553
Net income	$ 880
Company's equity in earnings of unconsolidated joint ventures	$ 377

7. DEFERRED COSTS

	1999	1998
Deferred costs consist of the following:		
Deferred financing	$ 15,096	$ 8,342
Deferred leasing	26,682	13,010
	41,778	21,352
Less accumulated amortization	(11,238)	(6,070)
	$ 30,540	$ 15,282

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

8. MORTGAGE NOTES PAYABLE AND REVOLVING CREDIT FACILITY

The mortgage notes payable collateralized by the respective properties and assignment of leases at December 31, 1999 and 1998 are as follows:

PROPERTY	MORTGAGE NOTES	1999	1998
50 West 23rd Street	Note payable to GMAC with interest at 7.33% due December 2007	$21,000	$21,000
29 West 35th Street	First mortgage note with interest payable at 8.464%, due February 1, 2001	2,825	2,903
673 First Avenue	First mortgage note with interest payable at 9.0%, due December 13, 2003	14,740	16,452
470 Park Avenue South	First mortgage note with interest payable at 8.25%, due April 1, 2004	10,153	10,507
1414 Avenue of Americas, 633 Third Avenue, 36 West 44th Street and 70 West 36th Street	First mortgage note with interest payable at 7.9%, due May 1, 2009	50,800	---
1412 Broadway	First mortgage note with interest payable at 7.62%, due May 1, 2006	52,000	---
711 Third Avenue	First mortgage note with interest payable at 8.13%, due September 10, 2005	49,225	---
555 West 57th Street	First mortgage note with interest payable at 8.10%, due November 4, 2004 (1)	70,000	---
	Total fixed rate debt	270,743	50,862
420 Lexington Avenue	First mortgage note with interest payable at 9.25%, due May 21, 2001	55,000	---
Madison Properties	First mortgage note with interest payable at 7.98%, due June 1, 2000	26,950	---
	Total floating rate debt	81,950	---
	Total mortgage notes payable	$352,693	$50,862

(1) The Company entered into an interest rate protection agreement which fixed the LIBOR interest rate at 6.10% at December 31, 1999. If LIBOR exceeds 6.10%, the loan will float until the maximum cap of 6.58% is reached.

At December 31, 1999, the carrying value of the properties collateralizing the mortgage notes was $567,680.

1999 FINANCING

During April 1999, the Company closed on two fixed-rate mortgage financings totaling $102,800 with maturities of 10 years ($50,800 secured by 1414 Avenue of the Americas, 36 West 44th Street, 633 Third Avenue and 70 West 36th Street) and 7 years ($52,000 secured by 1412 Broadway). The weighted average interest rate on these financings is 7.78%. These mortgages replaced $87,500 in secured floating-rate bridge financings (see 1998 Financings) and provided approximately $13,000 in additional liquidity that was used to reduce the amount outstanding under the Company's revolving credit facility. The Company recorded a $600 extraordinary loss during the quarter ended June 30, 1999 for the early extinguishment of debt related to the write-off of unamortized deferred financing costs associated with these secured bridge loans.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

During May 1999, the Company closed on loans totaling $117,700. The first loan of $65,000 is secured by the Company's interest in 420 Lexington Avenue. The term of this loan is two years and bears interest at a rate of 275 basis points over the 30-day LIBOR rate (9.25% at December 31, 1999). In October 1999, the Company repurchased a $10,000 non-investment grade tranche lowering the effective spread from LIBOR plus 275 basis points to LIBOR plus 203 basis points. Simultaneous with the closing, the Company entered into an interest rate protection agreement which caps LIBOR at 6.5% for the term of the loan. The second loan was a $52,700 one-year floating rate facility, secured by the Madison Properties ($26,900), 90 Broad ($20,800) and 711 Third Avenue ($5,000) and bears interest at a rate of 150 basis points over the 30-day LIBOR rate (7.98% at December 31, 1999).

During September 1999, the Company closed a $49,200 fixed rate financing secured by the property located at 711 Third Avenue. This mortgage matures in 6 years and carries a fixed interest rate of 8.13%. The proceeds were used to repay a $5,000 existing financing on the property (see above) with the balance used to reduce the amount outstanding under the Company's revolving credit facility.

During November 1999, simultaneous with the closing of the remaining 35 percent interest in the BMW Building, the Company obtained a new $70,000 first mortgage from Bank of New York. The mortgage has a term of five years with a floating interest rate of 200 basis points over 30-day LIBOR. At the time of the financing, the Company entered into an interest rate protection agreement with Bank of New York. The agreement has fixed the LIBOR interest rate at 6.10% however, the LIBOR interest rate on the loan will begin floating if the actual LIBOR rate exceeds 6.10% and is capped at a maximum LIBOR rate of 6.58%. At closing the loan's effective interest rate inclusive of the collar arrangement was 8.17%. This interest rate "collar" agreement is in effect for five years to correspond with the term of the loan. The Company recorded a $400 extraordinary loss during the quarter ended December 31, 1999 for the early extinguishment of debt related to prepayment penalties incurred as a result of the early repayment of the $45,000 debt assumed in January 1999.

On December 28, 1999, the Company closed on a $30,000 credit facility with Prudential Securities Credit Corp. (the "PSCC Facility"). The current borrowing capacity is $15,500, of which none was drawn down at December 31, 1999. The PSCC Facility is secured by the Company's preferred equity interest in 1370 Avenue of the Americas and a repurchased mortgage participation interest in the mortgage at 420 Lexington Avenue. Interest-only is payable based on the 1-Month LIBOR plus 125 basis points. The PSCC Facility may be prepaid at any time during its term without penalty. The PSCC Facility matures on December 27, 2000.

1998 FINANCINGS

During March 1998, the Company converted the notes payable that were collateralized by 50 West 23rd Street into fixed rate obligations at an interest rate of 7.33%.

During December 1998, the Company closed two short-term bridge financings. The first financing was a $51,500 bridge loan with Prudential Securities at an interest rate equal to 200 basis points over the current one-month LIBOR (7.58% at December 31, 1998). The loan which was secured by the properties located at 1412 Broadway and 633 Third Avenue was repaid in April 1999. The second financing was a $36,000 bridge loan with Lehman Brothers at an interest rate equal to 275 basis points over the current one-month LIBOR (8.29% at December 31, 1998). The loan which was secured by the properties located at 70 West 36th Street, 1414 Avenue of the Americas and The Bar Building was repaid in April 1999.

1997 FINANCING

On December 19, 1997, the Company entered into a $140,000 three year senior unsecured revolving credit facility (the"Credit Facility") due December 2000. Availability under the Credit Facility may be limited to an amount less than the $140,000 which is calculated by several factors including recent acquisition activity and most recent quarterly property performance. Outstanding loans under the Credit Facility bear interest on a graduated rate per annum equal to the London Interbank Offered Rate ("LIBOR") applicable to each interest period plus 120 basis points to 145 basis points per annum. The Credit Facility requires the Company to comply with certain covenants, including but not limited to, maintenance of certain financial ratios. At December 31, 1999, the outstanding amount of indebtedness under the Credit Facility was $83,000 and the interest rate on such indebtedness was 7.82% per annum. Availability under the Credit Facility was reduced further by the issuance of letters of credit in the amount of $7,500 $6,200 for acquisition deposits for the years ended December 31, 1999 and 1998, respectively. At December 31, 1999, the Company's borrowing capacity under the Credit Facility was $49,500.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

INTEREST RATE PROTECTION AGREEMENTS

In anticipation of financing properties, the Company executed a forward treasury rate lock on September 2, 1998 for $100,000 of future financing. The underlying rate for that position was 5.13%. On December 3rd this rate lock expired and was not renewed. The negative value of this hedge at expiration was $3,200. In connection with the hedge, the Company had commitments to complete five permanent mortgage financings totaling $103,000 on properties located at 70 West 36th Street, 36 West 44th Street, 1414 Avenue of the Americas, 633 Third Avenue and 1412 Broadway. The hedge cost represents a deferred financing cost which will be amortized over the life of these financings, except for $200 which related to a mismatch in terms resulting in a charge to 1998 earnings.

PRINCIPAL MATURITIES

Combined aggregate principal maturities of mortgages and notes payable as of December 31, 1999 are as follows:

	Total
2000	$113,625
2001	63,012
2002	6,374
2003	9,150
2004	78,477
Thereafter	165,055
	$435,693

MORTGAGE RECORDING TAX - HYPOTHECATED LOAN

The Operating Partnership mortgage tax credit loans totaled approximately $134,000 from LBHI at December 31,1998. These loans were collateralized by the mortgages encumbering the Operating Partnership's interests in 711 Third Avenue. The loans were also collateralized by an equivalent amount of the Company's cash which was held by LBHI and invested in US Treasury securities. Interest earned on the cash collateral was applied by LBHI to service the loans with interest rate commensurate with that of the portfolio of six month US Treasury securities, which matured on May 18, 1999. The Operating Partnership and LBHI each had the right of offset and therefore the loans and the cash collateral were presented on a net basis in the consolidated balance sheet at December 31, 1998. The purpose of these loans was to temporarily preserve mortgage recording tax credits for future potential acquisitions of real property which the Company may make, the financing of which may include property based debt, for which these credits would be applicable and provide a financial savings. These mortgage tax credit loans were all paid off during 1999.

9. PROPERTIES HELD FOR SALE

At December 31, 1999, the Company had two properties comprising approximately 243,000 rentable square feet held for sale. These properties were under contract for sale in the aggregate amount of $43,200, with deposits of $2,000. There can be no assurance that such properties held for sale will be sold.

The following table discloses certain information regarding the two properties held for sale by the Company:

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1999	1998
Total Revenues	$ 7,206	$ 6,950
Operating Expenses	(2,813)	(3,008)
Depreciation and Amortization	(883)	(936)
Other	(1,240)	(336)
Net Income	$ 2,270	$ 2,670
Net Carrying Value (including related costs) at December 31, 1999	$ 25,835	

On February 11, 2000, the Company sold 29 West 35th Street for $11,700, before selling costs, realizing a gain of approximately $5,000 on the sale.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosures of estimated fair value were determined by management, using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash equivalents, mortgage receivables, and variable and fixed rate debt are carried at amounts which reasonably approximate their fair values based on discounted cash flow models.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of December 31, 1999. Although management is not aware of any factors that would significantly affect the reasonable fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

11. RENTAL INCOME

The Operating Partnership is the lessor and the sublessor to tenants under operating leases with expiration dates ranging from 2000 to 2019. The minimum rental amounts due under the leases are generally either subject to scheduled fixed increases or adjustments. The leases generally also require that the tenants reimburse the Company for increases in certain operating costs and real estate taxes above their base year costs. Approximate future minimum rents to be received over the next five years and thereafter for non-cancelable operating leases in effect at December 31, 1999 are as follows:

2000	$171,066
2001	175,187
2002	149,238
2003	140,316
2004	121,923
Thereafter	518,244
	$1,275,974

12. RELATED PARTY TRANSACTIONS

There are several business relationships with related parties, entities owned by Stephen L. Green or relatives of Stephen L. Green exclusive of the uncombined joint ventures which involve management, leasing, and construction fee revenues, rental income and maintenance expenses in the ordinary course of business. These transactions for the years ended December 31, include the following:

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	SL Green Realty Corp.			SL Green Predecessor
	1999	1998	August 21 to December 31 1997	January 1 to August 20 1997
Management revenues	$ 171	$ 178	$ 78	$ 172
Leasing commission revenues	107	181	8	29
Construction fees	--	--	14	37
Rental income	--	--	--	43
Maintenance expense	4,707	2,118	119	163

Amounts due from related parties at December 31, consist of:

	1999	1998	1997
17 Battery Condominium Association	$176	$245	--
Morgan Stanley Real Estate Fund	197	--	--
Carlyle Group	13	--	--
Officers	141	528	$725
	$527	$773	$725

Amounts due to related parties at December 31, consist of:

	1999	1998	1997
29 West 35th Street Predecessor Partnership	$--	$--	$ 45
36 West 44th Street Predecessor Partnership	--	12	56
70 West 36th Street Predecessor Partnership	--	12	67
1414 Avenue of the Americas Predecessor Partnership	--	25	88
470 Park Avenue South Predecessor Partnership	--	6	72
673 First Avenue Predecessor Partnership	--	8	39
	$--	$ 63	$367

13. STOCKHOLDERS' EQUITY

The authorized capital stock of the Company consists of 200,000,000 shares, $.01 par value, of which the Company has authorized the issuance of up to 100,000,000 shares of Common Stock, $.01 par value per share, 75,000,000 shares of Excess Stock, at $.01 par value per share, and 25,000,000 shares of Preferred Stock, par value $.01 per share. On August 20, 1997, the Company issued 11,615,000 shares of its Common Stock (including the underwriters' over-allotment option of 1,520,000 shares) through a public offering (the "Offering"). Concurrently with the consummation of the Offering, the Company issued 38,095 shares of restricted common stock pursuant to officer stock loans and 85,600 shares of restricted common stock to a financial advisor. In addition, the Company previously issued to its executive officers approximately 553,616 shares, as founders' shares. As of December 31, 1999, no shares of Excess Stock were issued and outstanding.

On May 12, 1998 (the "May 1998 Offering"), the Company completed the sale of 11,500,000 shares of common stock and 4,600,000 shares of 8% Preferred Income Equity Redeemable Shares with a mandatory liquidation preference of $25.00 per share (the "PIERS"). Gross proceeds from these equity offerings ($353,000, net of underwriter's discount) were used principally to repay the Acquisition Facility (see Note 17) and acquire additional properties. These offerings resulted in the reduction of continuing investor's interest in the Operating Partnership from 16.2% to 9.2%.

As of December 31, 1999 and 1998, the minority interest unitholders owned 9.1% (2,428,217 units) and 9.2% (2,428,217 units) of the Operating Partnership, respectively.

At December 31, 1999, 10,102,217 shares of common stock were reserved for the converstion of 2,428,217 units, 2,975,000 stock options and 4,699,000 PIERS.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

STOCK OPTION PLANS

During August 1997, the Company instituted the 1997 Stock Option and Incentive Plan (The "Stock Option Plan"). The Stock Option Plan authorizes (i) the grant of stock options that qualify as incentive stock options under Section 422 of the Code ("ISOs"), (ii) the grant of stock options that do not so qualify ("NQSOs"), (iii) the grant of stock options in lieu of cash Directors' fees and employee bonuses, (iv) grants of shares of Common Stock, in lieu of compensation; and (v) the making of loans to acquire shares of Common Stock, in lieu of compensation. The exercise price of stock options will be determined by the Compensation Committee, but may not be less than 100% of the fair market value of the shares of Common Stock on the date of grant in the case of ISOs; provided that, in the case of grants of NQSOs granted in lieu of cash Director's fees and employee bonuses, the exercise price may not be less than 50% of the fair market value of the shares of Common Stock on the date of grant. At December 31, 1999, approximately 2,975,000 shares of Common Stock are reserved for exercise of warrants and stock options.

Options granted under the 1997 qualified stock option plan are exercisable at the fair market value on the date of grant and, subject to termination of employment, expire ten years from the date of grant, are not transferable other than on death, and are exercisable in three equal annual installments commencing one year from the date of grant (with the exception of 10,000 options which have a vesting period of one year).

The Company applies APB No. 25 and related interpretations in accounting for its plan. Statement of Financial Accounting Standards No. 123 ("FAS 123") was issued by the Financial Accounting Standards Board in 1995 and, if fully adopted, changes the methods for recognition of cost on plans similar to that of the Company. Adoption of FAS 123 is optional,however, pro forma disclosure, as if the Company adopted the cost recognition requirements under FAS 123, are presented below. The Company did not record any compensation expense under APB 25.

A summary of the status of the Company's stock options as of December 31, 1999 and 1998 and changes during the years ended December 31, 1999 and 1998, are presented below:

	Outstanding Shares	Weighted Average Exercise Price
Balance at December 31, 1997	660,000	$ 21.27
Granted	1,306,000	$ 21.26
Exercised	--	--
Lapsed or cancelled	(168,000)	$ 21.86
Balance at December 31, 1998	1,798,000	$ 21.19
Granted	609,000	$ 20.59
Exercised	--	--
Lapsed or cancelled	(356,000)	$ 22.41
Balance at December 31, 1999	2,051,000	$ 20.80
Options exercisable at December 31, 1998	186,666	$ 21.23
Options exercisable at December 31, 1999	529,364	$ 21.06

The weighted average exercise price of the 2,051,000 options outstanding was $20.80 as of December 31, 1999. The remaining weighted average contractual useful life of the options was 9.3 years. The weighted average fair value of options granted during the year was $2,300 and $6,200 for the years ended December 31, 1999 and 1998, respectively. The fair value of each share option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions for grants in 1999, 1998 and 1997.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	1999	1998	1997
Dividend yield	5.00%	5.00%	5.00%
Expected life of option	4 years	4 years	4 years
Risk-free interest rate	5.00%	5.00%	5.00%
Expected stock price volatility	28.76%	36.95%	36.95%

The compensation cost under FAS 123 for the stock performance-based plan would have been $1,600, $2,600 and $285 in 1999, 1998 and 1997, respectively. Had compensation cost for the Company's grants for stock-based compensation plans been determined consistent with FAS 123, the Company's net income and net income per common share for 1999, 1998 and 1997 would approximate the pro forma amounts below:

	1999	1998	1997
Net income	$31,705	$20,900	$3,400
Net income per common share - basic	$1.31	$1.06	$0.28
Net income per common share - diluted	$1.31	$1.06	$0.28

The effects of applying FAS 123 in this pro forma disclosure are not indicative of future amounts.

EARNINGS PER SHARE

Earnings per share is computed as follows:

	FOR THE YEAR ENDED DECEMBER 31, 1999		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER SHARE AMOUNT
Basic Earnings:			
Income available to common shareholders	$33,258	24,192,000	$1.37
Effect of Dilutive Securities:			
Redemption of Units to common shares	3,356	2,428,000	
Stock Options	---	60,000	
Diluted Earnings:			
Income available to common shareholders	$36,614	26,680,000	$1.37

	FOR THE YEAR ENDED DECEMBER 31, 1998		
	INCOME (NUMERATOR)	SHARES (DENOMINATOR)	PER SHARE AMOUNT
Basic Earnings:			
Income available to common shareholders	$23,482	19,675,000	$1.19
Effect of Dilutive Securities:			
Redemption of Units to common shares	3,043	2,406,000	
Stock Options	---	64,000	
Diluted Earnings:			
Income available to common shareholders	$26,525	22,145,000	$1.19

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The conversion of the PIERS which are currently anti-dilutive using the "if converted" method may result in the dilution of future earnings per share.

PREFERRED STOCK

The Company's 8% PIERS are non-voting and are convertible at any time at the option of the holder into the Company's common stock at a conversion price of $24.475 per share. The conversion of all PIERS would result in the issuance of 4,699,000 of the Company's common stock which has been reserved for issuance. The PIERS receive annual dividends of $2.00 per share paid on a quarterly basis and dividends are cumulative. On or after July 15, 2003 the PIERS may be redeemed at the option of the Company at a redemption price of $25.889 and thereafter at prices declining to the par value of $25.00 on or after July 15, 2007, with a mandatory redemption on April 15, 2008 at a price of $25.00 per share. The PIERS were recorded net of underwriters discount and issuance costs. These costs are being accreted over the expected term of the PIERS using the interest method.

14. BENEFIT PLANS

The building employees are covered by multi-employer defined benefit pension plans and post-retirement health and welfare plans. Contributions to these plans amounted to $644, $366, $35 and $44 during the years ended December 31, 1999 and 1998, the periods August 21, 1997 to December 31, 1997, and January 1, 1997 to August 20, 1997, respectively. Separate actuarial information regarding such plans is not made available to the contributing employers by the union administrators or trustees, since the plans do not maintain separate records for each reporting unit.

EXECUTIVE STOCK COMPENSATION

During July 1998, the Company issued 150,000 shares in connection with an employment contract. These shares vest annually at rates of 15% to 35% and were recorded at fair value. At December 31, 1999, 22,500 of these shares had vested and the Company recorded compensation expense of approximately $534.

Effective January 1, 1999 the Company implemented a deferred compensation plan (the "Deferred Plan") covering certain executives of the Company. In connection with the Deferred Plan the Company issued 240,000 restricted shares. The shares issued under the Deferred Plan were granted to certain executives and vesting will occur annually upon the Company meeting established financial performance criteria. Annual vesting occurs at rates ranging from 15% to 35% once performance criteria are reached. As of December 31, 1999, 44,660 of these shares had vested and the Company recorded compensation expense of approximately $893.

401(k) PLAN

During August 1997, the Company implemented a 401(k) Savings/Retirement Plan (the "401(k) Plan") to cover eligible employees of the Company and any designated affiliate. The 401(k) Plan permits eligible employees of the Company to defer up to 15% of their annual compensation, subject to certain limitations imposed by the Code. The employees' elective deferrals are immediately vested and non-forfeitable upon contribution to the 401(k) Plan. As of December 31, 1999, the Company has not made any contributions to the 401(k) Plan.

15. COMMITMENTS AND CONTINGENCIES

The Company and the Operating Partnership are not presently involved in any material litigation nor, to their knowledge, is any material litigation threatened against them or their properties, other than routine litigation arising in the ordinary course of business. Management believes the costs, if any, incurred by the Company and the Operating Partnership related to this litigation will not materially affect the financial position, operating results or liquidity of the Company and the Operating Partnership.

The Company has entered into employment agreements with certain executives. Eight executives have employment agreements which expire between July 2000 and July 2003. The cash based compensation associated with these employment agreements totals approximately $1,500 annually.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

In December 1999, the Company received 387,635 warrants from Onsite Access Inc. ("Onsite") in exchange for providing Onsite with access to its portfolio of properties. This arrangement provides certain marketing preferences to Onsite in exchange for which the Company will receive a share in the revenues of the service provider. The Company is also entitled to receive up to an additional 494,718 warrants based on the terms of the Warrant Issuance Agreement. Onsite provides comprehensive communications solutions for small and medium-sized business customers in multi-tenant commercial office buildings. The warrants had an estimated fair value of $306 at December 31, 1999. This was recorded as Deferred Revenue at December 31, 1999 and will be amortized over the term of the agreement. The warrants are held in an LLC of which the Company owns a 75 percent managing member interest, and the remaining interest is held by certain members of management.

During March 1998, the Company acquired an operating sub-leasehold position at 420 Lexington Avenue. The operating sub-leasehold position requires annual ground lease payments totaling $6,000 and sub-leasehold position payments totaling $1,100 (excluding an operating sub-lease position purchased January 1999 - see Note 3). The ground lease and sub-leasehold positions expire 2008. The Company may extend the positions through 2029 at no additional cost.

In April 1988, the SL Green Predecessor entered into a lease agreement for property at 673 First Avenue in New York City, which has been capitalized for financial statement purposes. Land was estimated to be approximately 70% of the fair market value of the property. The portion of the lease attributed to land is classified as an operating lease and the remainder as a capital lease. The initial lease term is 49 years with an option for an additional 26 years. Beginning in lease years 11 and 25, the lessor is entitled to additional rent as defined by the lease agreement.

The property located at 1140 Avenue of the Americas operates under a net ground lease ($348 annually) with a term expiration date of 2016 and with an option to renew for an additional 50 years.

The property located at 711 Third Avenue operates under an operating sub-lease which expires in 2083. Under the sub-lease, the Company is responsible for ground rent payments of $1,600 annually increasing to $3,100 in July 2001 for ten years. The ground rent is reset after year ten based on the estimated fair market value of the property.

The Company continues to lease the 673 First Avenue property which has been classified as a capital lease with a cost basis of $12,208 and cumulative amortization of $2,782 and $2,533 at December 31, 1999 and 1998, respectively. The following is a schedule of future minimum lease payments under capital leases and noncancellable operating leases with initial terms in excess of one year as of December 31, 1999:

DECEMBER 31,	CAPITAL LEASES	NONCANCELLABLE OPERATING LEASES
2000	$1,177	$11,079
2001	1,290	11,687
2002	1,290	12,075
2003	1,290	12,075
2004	1,290	12,075
Thereafter	60,306	339,293
Total minimum lease payments	66,643	$398,284
Less amount representing interest	(51,626)	
Present value of net minimum lease payments	$15,017	

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

16. ENVIRONMENTAL MATTERS

The management of the Company believes that the properties are in compliance in all material respects with applicable federal, state and local ordinances and regulations regarding environmental issues. Management is not aware of any environmental liability that management believes would have a materially adverse impact on the Company's financial position, results of operations or cash flows. Management is unaware of any instances in which it would incur significant environmental cost if any of the properties were sold.

17. EXTRAORDINARY ITEMS

In March 1998, the Company requested the Credit Facility banking group to temporarily relieve the Company from its obligations under the financial covenants of the Credit Facility, in order to close an additional financing necessary to acquire the Helmsley Properties (the "Acquisition Facility"). This Acquisition Facility closed on March 18, 1998 financed the Helmsley Properties acquisition, paid-off the outstanding balance on the Company's Credit Facility and provides on-going liquidity for future acquisition and corporate needs. The term of the Acquisition Facility was one year. The interest rate was determined by a schedule of the percent of the loan commitment outstanding and the duration of the loan commitment outstanding ranging from 170 basis points to 300 basis points over LIBOR. As a result of the Company's May 1998 Public Equity Offerings, on May 18, 1998, the Company repaid the Acquisition Facility prior to its scheduled maturity date of March 18, 1999. The Company's early extinguishment of the Acquisition Facility resulted in the write-off of unamortized deferred financing costs totaling approximately $522 (net of minority interest of $52) which were classified as an extraordinary loss during the quarter ended June 30, 1998.

Forgiveness of subordinated property mortgage debt totaling $22,087 (net of other partners' share of $11,332 for the period January 1, 1997 to August 20, 1997) is reflected in the accompanying SL Green Predecessor financial statements as an extraordinary gain.

Prepayment penalties of $1,071 (net of minority interest of $207) and unamortized deferred charges of $803 (net of minority interest of $155) related to mortgages paid in connection with the Formation Transactions were expensed and are reflected in the Company's financial statements as an extraordinary loss for the period August 21, 1997 to December 31, 1997. This debt was forgiven in connection with the Formation Transactions.

See Note 8 for extraordinary items relating to the year ended December 31, 1999.

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly data for the last two years is presented in the tables below:

1999 QUARTER ENDED	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
Total revenues	$ 53,890	$ 54,652	$ 50,809	$ 46,666
Income net of minority interest and before extraordinary item	11,345	10,475	11,408	10,617
Extraordinary item	(361)	--	(628)	--
Net income	10,984	10,475	10,780	10,617
Preferred dividends and accretion	(2,399)	(2,400)	(2,399)	(2,400)
Income available to common				
Shareholders	$ 8,585	$ 8,075	$ 8,381	$ 8,217
Income per common share before extraordinary item	$ 0.36	$ 0.33	$ 0.37	$ 0.34

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

Net income per common share -				
basic and diluted	$ 0.35	$ 0.33	$ 0.35	$ 0.34

1998 QUARTER ENDED	DECEMBER 31	SEPTEMBER 30	JUNE 30	MARCH 31
Total revenues	$ 39,328	$ 39,750	$ 33,663	$ 21,811
Income net of minority interest and				
before extraordinary item	9,256	10,257	6,372	4,089
Extraordinary item	--	--	(522)	--
Net income	9,256	10,257	5,850	4,089
Preferred dividends and accretion	(2,346)	(2,433)	(1,191)	--
Income available to common				
shareholders	$ 6,910	$ 7,824	$ 4,659	$ 4,089
Income per common share before				
extraordinary item	$ 0.29	$ 0.33	$ 0.28	$ 0.33
Net income per common share -				
basic and diluted	$ 0.29	$ 0.33	$ 0.25	$ 0.33

19. SEGMENT INFORMATION

The Company is a REIT engaged in owning, managing, leasing and repositioning class B office properties Manhattan and has one reportable segment, office real estate. The Company evaluates real estate performance and allocates resources based on net income.

The Company's real estate portfolio is located in one geographical market of Manhattan. The primary sources of revenue are generated from tenant rents and escalations and reimbursement revenue. Real estate property operating expenses primarily consist of security, maintenance, utility costs and ground rent expense (at certain applicable properties). The single office real estate business segment meets the quantitative threshold for determining reportable segments. The Company has no tenant with rental revenue greater than 10% of the Company's revenue.

20. SUBSEQUENT EVENTS

On February 16, 2000, the Board of Directors of the Company authorized a dividend distribution of one preferred share purchase right ("Right") for each outstanding share of common stock which will be distributed to all holders of record of the common stock on March 31, 2000. Each Right entitles the registered holder to purchase from the Company one one-hundredth of a share of Series B junior participating preferred stock, par value $0.01 per share ("Preferred Shares"), at a price of $60.00 per one one-hundredth of a Preferred Share ("Purchase Price"), subject to adjustment as provided in the rights agreement. The Rights expire on March 5, 2010, unless the expiration date is extended or the Right is redeemed or exchanged earlier by the Company.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Rights are attached to each share of common stock. The rights are generally exercisable only if a person or group becomes the beneficial owner of 17 percent or more of the outstanding common stock or announces a tender offer for 17 percent or more of the outstanding stock ("Acquiring Person"). In the event that a person or group becomes an Acquiring Person, each holder of a Right, excluding the Acquiring Person, will have the right to receive, upon exercise, common stock having a market value equal to two times the Purchase Price of the Right.

On February 18, 2000, the Company acquired a 49.9 percent managing interest in 100 Park Avenue ("100 Park"), an 834,000 square foot, 36-story property, located in Manhattan. The purchase price of $95,800 was funded through a combination of cash and debt. The Company will provide managing and leasing services for 100 Park.

On March 8, 2000, the Company sold 36 West 44th Street for $31,500, before selling costs, realizing a gain of approximately $9,900 on the sale.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
SL Green Realty Corp.

We have audited the accompanying combined statement of income, owners' equity and cash flows of the uncombined joint ventures on SL Green Predecessor for the period from January 1, 1997 to August 20, 1997. These financial statements are the responsibility of SL Green Predecessor's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined results of the uncombined joint ventures of SL Green Predecessor's operations and their cash flows for the period from January 1, 1997 to August 20, 1997 in conformity with accounting principles generally accepted in the United States.

/S/ Ernst & Young LLP

New York, New York
February 10, 1998

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR
COMBINED STATEMENT OF INCOME

(DOLLARS IN THOUSANDS)

	January 1, to August 20 1997
Revenues:	
Rental revenue	$ 12,604
Escalation and reimbursement revenues	859
Other income	89
Total revenues	13,552
Expenses:	
Operating expenses:	
Other	2,342
Related parties	634
Real estate taxes	1,741
Rent expense	2,425
Interest	5,320
Depreciation and amortization	2,510
Total expenses	14,972
Loss before extraordinary gain	(1,420)
Extraordinary gain	33,418
Net income	$ 31,998

The accompanying notes are an integral part to these financial statements.

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR
COMBINED STATEMENT OF OWNERS' EQUITY

(DOLLARS IN THOUSANDS)

	SL Green & Related Entities	All other Partners	Total
Balance at December 31, 1996	$(15,570)	$(6,059)	$(21,629)
Distributions	(1,702)	(1,345)	(3,047)
Other-reclassification of joint venture to combined property	(880)	(4,463)	(5,343)
Contributions	450	385	835
Net income for the period ending August 20, 1997	21,101	10,897	31,998
Balance at August 20, 1997	$ 3,399	$ (585)	$ 2,814

The accompanying notes are an integral part to these financial statements.`

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR
COMBINED STATEMENT OF CASH FLOWS

(DOLLARS IN THOUSANDS)

	January 1, to August 20 1997
OPERATING ACTIVITIES	
Net Income (loss)	$ 31,998
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Extraordinary item	(33,418)
Depreciation and amortization	2,510
Deferred rents receivable	(293)
Other	93
Changes in operating assets and liabilities:	
Restricted cash	(135)
Deferred costs	(639)
Other assets	1,552
Accounts payable and accrued expenses	(616)
Accounts payable to related parties	(85)
Security deposits	133
Accrued interest on mortgage notes payable	1,144
Net cash provided by operating activities	2,244
INVESTING ACTIVITIES	
Additions to land, buildings and improvements	(1,232)
Net cash used in investing activities	(1,232)
FINANCING ACTIVITIES	
Payments of mortgage notes payable	(1,211)
Cash distributions to owners	(3,047)
Cash contributions from owners	835
Capitalized lease obligations	824
Net cash provided by (used in) financing activities	(2,599)
Net increase (decrease) in cash and cash equivalents	(1,587)
Cash transfer related to Praedium Bar Associates, LLC presented as a combined entity	(185)
Cash and cash equivalents at beginning of period	2,223
Cash and cash equivalents at end of period	$ 451
Supplemental cash flow disclosures	
Interest paid	$ 4,176

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR
COMBINED STATEMENT OF CASH FLOWS

(DOLLARS IN THOUSANDS)

Supplemental schedule of non-cash investing and financing activities:

On June 30, 1997 the remaining interest of Praedium Bar Associates, LLC ("Praedium Bar") was purchased by an affiliate of Stephen L. Green. In connection with the purchase as of June 30, 1997, the assets and liabilities of Praedium Bar have been excluded from the financial statements of the uncombined joint ventures of SL Green Predecessor and have been presented in the combined financial statements of SL Green Predecessor. The assets, liabilities and owners' equity of Praedium Bar, as of June 30, 1997, were as follows:

Commercial real estate property, net	$14,383
Total assets	16,174
Mortgage notes payable	10,200
Total liabilities	10,831
Owners' equity	5,343

See accompanying notes.

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR

FOR THE PERIOD JANUARY 1, 1997 TO AUGUST 20, 1997

NOTES TO COMBINED STATEMENTS

(DOLLARS IN THOUSANDS)

1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The uncombined joint ventures of SL Green Predecessor were engaged in the business of owning, managing and leasing, and repositioning Class B office properties in Manhattan, New York.

FORMATION TRANSACTIONS

Concurrently with the consummation of the initial public offering of SL Green Realty Corp. (the "REIT") Common Stock (the "Offering"), which was completed on August 20, 1997 the REIT and a newly formed limited partnership, SL Green Operating Partnership, L.P. (the "Operating Partnership"), together with the partners and members of the affiliated partnerships of the SL Green Predecessor and other parties which hold ownership interests in the properties (collectively, the "Participants"), engaged in certain formation transactions (the "Formation Transactions"). The Formation Transactions were designed to (i) enable the REIT to raise the necessary capital to acquire the remaining interests in the uncombined joint ventures of the SL Green Predecessor and repay certain mortgage debt relating thereto and pay other indebtedness, (ii) enable the REIT to acquire properties, (iii) fund costs, capital expenditures, and working capital, (iv) provide a vehicle for future acquisitions, (v) enable the REIT to comply with certain requirements under the Federal income tax laws and regulations relating to real estate investment trusts, and (vi) preserve certain tax advantages for certain Participants.

The REIT is the sole general partner in the Operating Partnership. The Operating Partnership received a contribution of interests in the real estate properties in exchange for units of limited partnership interests in the Operating Partnership and/or cash. The REIT is a fully integrated self-administered and self-managed.

(DOLLARS IN THOUSANDS)

PRINCIPLES OF COMBINATION

The uncombined joint ventures of the SL Green Predecessor was not a legal entity but rather a combination of real estate properties (collectively, the "Properties") and interests in entities that are organized as partnerships and a limited liability company. The operations of the properties are included in the financial statements of the SL Green Predecessor from the date of acquisition and management. All significant intercompany transactions and balances have been eliminated in combination.

Capital contributions, distributions and profits and losses are allocated to the owners in accordance with the terms of the applicable agreements.

The joint ventures, included in the accompanying combined financial statements include partnerships and a limited liability company which are managed but not controlled by the SL Green Predecessor, are as follows:

PARTNERSHIPS/LIMITED LIABILITY COMPANY	PROPERTY	SL GREEN PREDECESSOR PERCENTAGE OWNERSHIP	OWNERSHIP TYPE
673 First Realty Company	673 First Avenue	67.0%	Co-general partner
29/35 Realty Associates, LP	29 West 35th Street	21.5%	Co-general partner
470 Park South Associates, LP	470 Park Avenue South	65.0%	Co-general partner
Praedium Bar Associates, LLC ("Praedium Bar")	36 West 44th Street	10.0%(A)	Has veto rights relating to sale and financing

(A) Praedium Bar acquired the first mortgage related to the property in October, 1996 which provides for substantially all the economic interest in the property and has the sole right to purchase the fee interest, (the property deed is in escrow), for a nominal cost; accordingly SL Green Predecessor has accounted for Praedium Bar investment as an ownership in the property. On June 30, 1997, the majority owner of SL Green Predecessor purchased the remaining 90% interest in Praedium Bar Associates, LLC for $6,300.

UNCOMBINED JOINT VENTURES OF
SL GREEN PREDECESSOR

FOR THE PERIOD JANUARY 1, 1997 TO AUGUST 20, 1997

(DOLLARS IN THOUSANDS)

NOTES TO COMBINED STATEMENTS (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

DEPRECIATION OF REAL ESTATE PROPERTIES

Depreciation and amortization is computed on the straight-line method as follows:

CATEGORY	TERM
Building	40 years
Property under capital lease	49 years
Building improvements	remaining life of the building
Tenant improvements	remaining life of the lease

Depreciation expense including the amortization of the capital lease asset amounted to $1,859 for the period ended August 20, 1997.

CASH AND CASH EQUIVALENTS

The SL Green Predecessor considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

RESTRICTED CASH

Restricted cash consists of security deposits.

REVENUE RECOGNITION

Rental revenue is recognized on a straight-line basis over the term of the lease. The excess of rents recognized over amounts contractually due pursuant to the underlying leases are included in deferred rents receivable on the accompanying combined balance sheet. Contractually due but unpaid rents are included in other assets on the accompanying combined balance sheet. Certain lease agreements provide for reimbursement of real estate taxes, insurance and certain common area maintenance costs and rental increases tied to increases in certain economic indexes.

DEFERRED LEASE COSTS

Deferred lease costs consist of fees and direct costs incurred to initiate and renew operating leases, and are amortized on a straight-line basis over the initial lease term or renewal period as appropriate.

DEFERRED FINANCING COSTS

Deferred financing costs are amortized over the terms of the respective agreements. Unamortized deferred financing costs are expensed when the associated debt is retired before maturity.

CAPITALIZED INTEREST

Interest for borrowings used to fund development and construction is capitalized to individual property costs.

RENT EXPENSE

Rent expense is recognized on a straight-line basis over the initial term of the lease. The excess of the rent expense recognized over the amounts contractually due pursuant to the underlining lease is included in the deferred lease payable in the accompanying combined balance sheet.

INCOME TAXES

The properties are not taxpaying entities for Federal income tax purposes, and, accordingly, no provision or credit has been made in the accompanying financial statements for Federal income taxes. Owners' allocable shares of taxable income or loss are reportable on their income tax returns.

CONCENTRATION OF REVENUE AND CREDIT RISK

Approximately 50% of the properties revenue for the period January 1, 1997 to August 20, 1997 were derived from 673 First Avenue. The loss or a material decrease in revenues from this building for any reason may have a material adverse effect on the properties. In addition approximately 30% of the properties revenue for the two years ended December 31, 1996 and the period January 1, 1997 to August 20, 1997 were derived from three tenants, (Society of NY Hospital, Kallir, Phillips, Ross, Inc. and UNICEF), which lease space in the 673 First Avenue building.

Management of the SL Green Predecessor performs on going credit evaluations of its tenants and requires certain tenants to provide security deposits.

2. EXTRAORDINARY ITEM

Forgiveness of subordinated mortgage debt totaling $33,418 is reflected in the 1997 Combined Statement of Operation as in extraordinary gain.

3. LEASE AGREEMENTS

CAPITAL LEASE

In April 1988, the SL Green Predecessor entered into a lease agreement for property at 673 First Avenue in New York City, which has been capitalized for financial statement purposes. Land was estimated to be approximately 70% of the fair market value of the property. The portion of the lease attributed to land is classified as an operating lease and the remainder as a capital lease. The initial lease term is 49 years with an option for an additional 26 years. Beginning in lease year 11 and 25, the lessor is entitled to additional rent as defined by the lease agreement.

For the period January 1, 1997 to August 20, 1997 rent expense amounted to approximately $2,425.

4. RELATED PARTY TRANSACTIONS

There are several business relationships with related parties which involve management, leasing, and construction fee revenues and maintenance expenses in the ordinary course of business.

Transactions include the following:

	JANUARY 1, TO AUGUST 20, 1997
Management expenses................	$448
Leasing commission expenses........	295
Construction fees..................	1,796
Maintenance expenses...............	186

5. BENEFIT PLAN

The building employees of the individual partnerships are covered by multi-employer defined benefit pension plans and post-retirement health and welfare plans. Contributions to these plans amounted to $38 for the period January 1 to August 20, 1997. Separate actuarial information regarding such plans is not made available to the contributing employers by the union administrators or trustees, since the plans do not maintain separate records for each reporting unit.

6. CONTINGENCIES

SL Green Predecessor is party to a variety of legal proceedings relating to the ownership of the Properties arising in the ordinary course of business. SL Green Predecessor management believes that substantially all of these liabilities are covered by insurance. All of these matters, taken together, are not expected to have a material adverse impact on the uncombined joint venture of SL Green Predecessor's, financial position, results of operations or cash flows.

7. ENVIRONMENTAL MATTERS

The management of SL Green Predecessor believes that the properties are in compliance in all material respects with applicable federal, state and local ordinances and regulations regarding environmental issues. Management is not aware of any environmental liability that management believes would have a material adverse impact on the uncombined joint venture of SL Green Predecessor's financial position, results of operations or cash flows. Management is unaware of any instances in which it would incur significant environmental cost if any of the properties were sold.

SL GREEN REALTY CORP.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 1999

(DOLLARS IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C INITIAL COST		COLUMN D COST CAPITALIZED SUBSEQUENT TO ACQUISITION		COLUMN E GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD		
DESCRIPTION (1)(5)	ENCUMBRANCE	LAND	BUILDING AND IMPROVEMENTS	LAND	BUILDING AND IMPROVEMENTS	LAND	BUILDING AND IMPROVEMENTS	TOTAL
70 West 36th St. (2)	--	$1,517	$7,700	$13	$7,791	$1,530	$15,491	$17,021
1414 Avenue of the Americas (2)	--	2,948	6,790	60	1,750	3,008	8,540	11,548
673 First Avenue	$14,741	--	43,618	--	159	--	43,777	43,777
470 Park Avenue South	10,154	3,750	30,718	1	1,604	3,751	32,322	36,073
1372 Broadway	--	10,478	41,912	67	5,581	10,545	47,493	58,038
1140 Avenue of the Americas	--	--	21,035	--	1,516	--	22,551	22,551
50 West 23rd Street	21,000	7,217	28,866	43	1,529	7,260	30,395	37,655
17 Battery Place	--	11,686	46,744	20	18,107	11,706	64,851	76,557
110 East 42nd Street	--	6,000	24,070	26	2,862	6,026	26,932	32,958
633 Third Avenue (3)	--	2,171	8,682	(200)	(1)	1,971	8,681	10,652
1466 Broadway	--	11,643	53,608	--	2,039	11,643	55,647	67,290
420 Lexington Ave	55,000	--	83,272	--	51,573	--	134,845	134,845
321 West 44th Street	--	3,404	14,355	--	1,650	3,404	16,005	19,409
440 Ninth Avenue	--	6,326	25,172	--	3,316	6,326	28,488	34,814
711 Third Avenue	49,225	19,843	40,342	--	6,865	19,843	47,207	67,050
1412 Broadway (3)	--	16,221	64,886	3	1,625	16,224	66,511	82,735
555 West 57th Street	70,000	18,845	83,353	--	2,320	18,845	85,673	104,518
286 Madison Avenue (4)	--	2,474	9,887	--	436	2,474	10,323	12,797
290 Madison Avenue (4)	--	1,576	6,305	--	313	1,576	6,618	8,194
292 Madison Avenue (4)	--	5,949	23,798	--	637	5,949	24,435	30,384
	$220,120	$132,048	$665,113	$ 33	$111,672	$130,081	$776,785	$908,866

	COLUMN F ACCUMULATED DEPRECIATION	COLUMN G DATE OF CONSTRUCTION	COLUMN H DATE ACQUIRED	COLUMN I LIFE ON WHICH DEPRECIATION IS COMPUTED
70 West 36th St. (2)	$7,271		12/19/84	Various
1414 Avenue of the Americas (2)	849		6/18/96	Various
673 First Avenue	11,548		8/20/97	Various
470 Park Avenue South	9,630		8/20/97	Various
1372 Broadway	2,928		8/20/97	Various
1140 Avenue of the Americas	1,071		8/20/97	Various
50 West 23rd Street	1,805		8/20/97	Various
17 Battery Place	3,034		12/19/97	Various
110 East 42nd Street	1,694		9/15/97	Various
633 Third Avenue (3)	442		12/30/97	Various
1466 Broadway	2,531		3/18/98	Various
420 Lexington Ave	5,513		3/18/98	Various
321 West 44th Street	665		3/31/98	Various
440 Ninth Avenue	1,165		6/1/98	Various
711 Third Avenue	1,843		5/20/98	Various
1412 Broadway (3)	2,376		8/14/98	Various
555 West 57th Street	2,001		1/1/99	Various
286 Madison Avenue (4)	153		5/24/99	Various
290 Madison Avenue (4)	98		5/24/99	Various
292 Madison Avenue (4)	366		5/24/99	Various
	$56,983			

- ------------------

(1) All properties located in New York, New York
(2) Mortgage loan totaling $26,200 encumbers 1414 Avenue of Americas, and 70 West 36th Street
(3) Mortgage loan totaling $59,700 encumbers 1412 Broadway and 633 Third Avenue
(4) Mortgage loan totaling $26,900 encumbers 286 Madison Avenue, 290 Madison Avenue and 292 Madison Avenue
(5) Excludes properties held for sale with gross cost of $26,980, encumberances of $19,773 and accumulated depreciation of $2,444.

SL GREEN REALTY CORP.
SCHEDULE III-REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1999

(DOLLARS IN THOUSANDS)

The changes in real estate for the three years ended December 31, 1999, are as follows:

	1999	1998	1997
Balance at beginning of year.......	$697,061	$338,818	$ 26,284
Property Acquisitions and Formation Transactions.....................	152,187	339,072	306,752
Improvements.......................	86,598	19,171	5,782
Retirements/disposals..............	(26,980)	---	---
Balance at end of year	$908,866	$697,061	$338,818

The aggregate cost of land, buildings and improvements for Federal income tax purposes at December 31, 1999 was approximately $948,000.

The changes in accumulated depreciation, exclusive of amounts relating to equipment, autos, and furniture and fixtures, for the three years ended December 31, 1999, are as follows:

	1999	1998	1997
Balance at beginning of year.......	$37,317	$23,800	$ 5,721
Formation Transactions.............	---	---	14,073
Depreciation for year..............	22,110	13,517	4,006
Retirements/disposals..............	(2,444)	---	---
Balance at end of year.............	$56,983	$37,317	$23,800

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth under the captions "Election of Directors" and "Principal and Management Stockholders--Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Company's definitive Proxy Statement for its 2000 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended, prior to April 30, 2000 (the "2000 Proxy Statement"), is incorporated herein by reference.

ITEM 11. EXECUTIVE AND DIRECTOR COMPENSATION

The information set forth under the captions "Election of Directors--Directors Compensation" and "Executive Compensation" in the 2000 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the 2000 Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Principal and Management Stockholders" in the 2000 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULE, AND REPORTS ON FORM 8-K

(a)(1) Consolidated Financial Statements

SL GREEN REALTY CORP

THE SL GREEN PREDECESSOR

UNCOMBINED JOINT VENTURES - COMBINED FINANCIAL STATEMENTS

(a)(2) Financial Statement Schedule

Schedules other than those listed are omitted as they are not applicable or the required or equivalent information has been included in the financial statements or notes thereto.

INDEX TO EXHIBITS

(a)

EXHIBITS

3.1	Articles of Incorporation of the Company*
3.2	Bylaws of the Company*
4.1	Specimen Share certificate*
10.1	Form of Agreement of Limited Partnership of the Operating Partnership*
10.2	Form of Articles of Incorporation and Bylaws of the Management Corporation*
10.3	Form of Employment and Noncompetition Agreement among the Executive Officers and the Company
10.4	Employment and Noncompetition Agreement between David J. Nettina and the Company*
10.5	Form of Registration Rights Agreement between the Company and the persons named therein*
10.6	Amended 1997 Stock Option and Incentive Plan**
10.7	Form of Purchase and Sale Agreement between Metropolitan Operating Partnership, L.P., as Seller, and SL Green Operating Partnership, L.P., as Purchaser***
10.8	Form of Amendment to Purchase and Sale Agreement between Metropolitan Operating Partnership, L.P., as Seller, and SL Green Operating Partnership, L.P., as Purchaser***
10.9	Form of Second Amendment to Purchase and Sale Agreement between Metropolitan Operating Partnership, L.P., as Seller, and SL Green Operating Partnership, L.P., as Purchaser***
10.10	Form of Agreement of Sale and Purchase between Blackacre 555 West 57th Street MM LLC and Blackacre 555 West 57th Street LLC, as Sellers, and SL Green Operating Partnership, L.P., as Purchaser****
10.11	Form of Amendment to Sale and Purchase between Blackacre 555 West 57th Street MM LLC and Blackacre 555 West 57th Street LLC, as Sellers, and SL Green Operating Partnership, L.P., as Purchaser.****
10.12	Form of Assignment and Assumption of Membership Interest between Blackacre 555 West 57th Street LLC, as Assignor, and Green W. 57th St., LLC, as Assignee****
10.13	Form of Assignment and Assumption of Sale and Purchase Agreement between SL Green Operating Partnership, L.P., as Assignor, and Green West 57th St., LLC, as Assignee****
10.14	Senior Unsecured Credit Facility documentation between the Company and LBHI*
12.1	Calculation of Ratios of Combined Fixed Charges and Preferred Stock Dividends
21.1	Subsidiaries of the Registrant
23.1	Consent of Ernst & Young LLP
27.1	Financial Data Schedule

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*	Incorporated by reference to the Company's Registration Statement on Form S-11 (333-29329) declared effective by the Commission on August 14, 1997.
**	Incorporated by reference to the Company's Registration Statement on Form S-11 (333-50309) declared effective by the Commission on May 12, 1998.
***	Incorporated by reference to the Company's Form 8-K filed on June 8, 1999.
****	Incorporated by reference to the Company's Form 8-K filed on February 8, 1999.

(b) Report on Form 8-K

The following reports on Form 8-K were filed during the quarter ended December 31, 1999.

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: March 15, 2000

By: /s/ Thomas E. Wirth
Thomas E. Wirth
Chief Financial Officer

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned officers and directors of SL Green Realty Corp. hereby severally constitute Stephen L. Green, and Benjamin P. Feldman, and each of them singly, our true and lawful attorneys and with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement filed herewith and any and all amendments to said Annual Report on Form 10-K, and generally to do all such things in our names and in our capacities as officers and directors to enable SL Green Realty Corp. to comply with the provisions of the Securities Exchange Act of 1934, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any of them, to said Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signatures	Title	Date
/s/ Stephen L. Green* Stephen L. Green	Chairman of the Board of Directors Chief Executive Officer	March 15, 2000
/s/ David J. Nettina* David J. Nettina	President and Chief Operating Officer (Principal Executive Officer)	March 15, 2000
/s/ Thomas E. Wirth* Thomas E. Wirth	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 15, 2000
/s/ Benjamin P. Feldman* Benjamin P. Feldman	Executive Vice President, General Counsel, Secretary and Director	March 15, 2000
/s/ John H. Alschuler, Jr* John H. Alschuler, Jr.	Director	March 15, 2000
/s/ Edwin Thomas Burton, III* Edwin Thomas Burton, III	Director	March 15, 2000
/s/ John S. Levy* John S. Levy	Director	March 15, 2000

*By Power of Attorney

Exhibit 10.3

AMENDED AND RESTATED
EMPLOYMENT AND NONCOMPETITION AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AND NONCOMPETITION AGREEMENT ("Agreement") is made as of the ____ day of ________, 1998 ("Executive") and SL Green Realty Corp., a Maryland corporation with its principal place of business at 70 West 36th Street, New York, New York 10018 (the "Employer"), and amends and completely restates the Employment and Noncompetition Agreement made as of the day of , 1997.

1. TERM. The term of this Agreement shall commence on the day of , 1998 and, unless earlier terminated as provided herein, shall terminate on the third anniversary of such date (the "Current Term"); PROVIDED, HOWEVER, that Section 8 hereof shall survive the termination of this Agreement as provided therein. The Current Term shall automatically be extended for successive one-year periods (each a "Renewal Term"), unless either party shall notify the other in writing at least six (6) months prior to the expiration of the Current Term or the applicable Renewal Term of its intention not to renew such Term. The period of Executive's employment hereunder consisting of the Current Term and all Renewal Terms, if any, is herein referred to as the "Employment Period".

2. EMPLOYMENT AND DUTIES.

(a) DUTIES. During the Employment Period, Executive shall be employed in the business of the Employer and its affiliates. Executive shall serve the Employer as a senior corporate executive with the title Executive Vice President and General Counsel of the Employer. Executive's duties and authority shall be as set forth in the By-laws of the Employer and as otherwise established from time to time by the Board of Directors of the Employer, and shall be commensurate with his titles and positions with the Employer.

(b) BEST EFFORTS. Executive agrees to his employment as described in this Section 2 and agrees to devote substantially all of his business time and efforts to the performance of his duties under this Agreement, except as otherwise approved by the Board of Directors of the Employer; PROVIDED, HOWEVER, that nothing herein shall be interpreted to preclude Executive from (i) participating as an officer or director of, or advisor to, any charitable or other tax exempt organization or otherwise engaging in charitable, fraternal or trade group activities, (ii) acting as an officer of any subsidiary of the Company, or (iii) investing his assets as a passive investor in other entities or business ventures, provided that he performs no management or similar role with respect to such entities or ventures and such investment does not violate Section 8 hereof.

(c) TRAVEL. In performing his duties hereunder, Executive shall be available for all reasonable travel as the needs of the Employer's business may require. Executive shall be based in the metropolitan area of New York City.

3. COMPENSATION AND BENEFITS. In consideration of Executive's services hereunder, the Employer shall compensate Executive as provided in this Section 3.

(a) BASE SALARY. The Employer shall pay Executive an aggregate annual salary at the rate of $ ($, effective , 1999) during the Employment Period ("Base Salary"), subject to applicable withholding. Base Salary shall be payable in accordance with the Employer's normal business practices, but in no event less frequently than monthly. Executive's Base Salary shall be reviewed no less frequently than annually by the Employer and may be increased, but not decreased, by the Employer during the Employment Period.

(b) INCENTIVE COMPENSATION. In addition to the Base Salary payable to Executive pursuant to Section 3(a), during the Employment Period, Executive shall be eligible to participate in any incentive compensation plans in effect with respect to senior executive officers of the Employer, subject to Executive's compliance with such criteria as the Employer's Board of Directors, in its sole discretion, may establish for Executive's participation in such plans from time to time. Any awards to Executive under such plans will be established by the Employer's Board of Directors, or a committee thereof, in its sole discretion.

(c) STOCK OPTIONS. During the Employment Period, Executive shall be eligible to participate in employee stock option plans established from time to time for the benefit of senior executive officers and other employees of the Employer in accordance with the terms and conditions of such plans. All decisions regarding awards to Executive under the Employer's stock option plans shall be made in the sole discretion of the Employer's Board of Directors, or a committee thereof.

(d) EXPENSES. Executive shall be reimbursed for all reasonable business related expenses incurred by Executive at the request of or on behalf of the Employer, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Employer.

(e) MEDICAL INSURANCE. During the Employment Period, Executive and Executive's immediate family shall be entitled to participate in such medical benefit plan as the Employer shall maintain from time to time for the benefit of senior executive officers of the Employer and their families, on the terms and subject to the conditions set forth in such plan. Nothing in this section shall limit the Employer's right to change, modify or terminate any benefit plan or program as it sees fit from time to time in the normal course of business.

(f) VACATIONS. Executive shall be entitled to reasonable paid vacations in accordance with the then regular procedures of the Employer governing senior executive officers.

(g) OTHER BENEFITS. During the Employment Period, the Employer shall provide to Executive such other benefits, including sick leave and the right to participate in such retirement or pension plans, as are made generally available to senior executive officers and employees of the Employer from time to time.

4. INDEMNIFICATION AND LIABILITY INSURANCE. The Employer agrees to indemnify Executive to the extent permitted by applicable law with respect to any actions commenced against Executive in his capacity as an officer or director, or former officer or director, of the Employer or any affiliate thereof for which he may serve in such capacity. The Employer also agrees to use its best efforts to secure and maintain officers and directors liability insurance providing coverage for Executive.

5. EMPLOYER'S POLICIES. Executive agrees to observe and comply with the rules and regulations of the Employer as adopted by its Board of Directors from time to time regarding the performance of his duties and to carry out and perform orders, directions and policies communicated to him from time to time by the Employer's Board of Directors.

6. TERMINATION. The Executive's employment hereunder may be terminated under the following circumstances:

(a) TERMINATION BY THE EMPLOYER.

(i) DEATH. The Executive's employment hereunder shall terminate upon his death.

(ii) DISABILITY. If, in the reasonable good faith determination of the Board of Directors, as a result of the Executive's incapacity due to physical or mental illness or disability, the Executive shall have been incapable of performing his duties hereunder even with a reasonable accommodation on a full-time basis for the entire period of three consecutive months or any 90 days in a 180-day period, and within 30 days after written Notice of Termination (as defined in Section 6(c)) is given he shall not have returned to the performance of his duties hereunder on a full-time basis, the Employer may terminate the Executive's employment hereunder.

(iii) CAUSE. The Employer may terminate the Executive's employment hereunder for Cause, subject to the severance provisions specifically set forth in Section 7(b) and the arbitration provisions specifically set forth in Section 7(e). For purposes of the Agreement, "Cause" shall mean that the Board of Directors of the Employer concludes, in good faith and after reasonable investigation, that:

(A) the Executive engaged in conduct which is a felony under the laws of the United States or any state or political subdivision thereof;

(B) the Executive engaged in conduct constituting breach of fiduciary duty, gross negligence or willful misconduct relating to the Employer, fraud or dishonesty or willful or material misrepresentation relating to the business of the Employer;

(C) the Executive breached his obligations or covenants under Section 8 of this Agreement in any material respect; or

(D) the Executive failed to perform his duties hereunder in a manner and at a level reasonably satisfactory to the Employer more than 15 days after receiving notice from the Employer, which notice specifically identifies the manner in which he has failed so to perform.

(iv) WITHOUT CAUSE. Executive's employment hereunder may be terminated by the Employer at any time with or without Cause (as defined in Section 6(a)(iii) above), by a majority vote of all of the members of the Board of Directors of the Employer upon written notice to Executive, subject only to the severance provisions specifically set forth in Section 7(a) herein.

(b) TERMINATION BY THE EXECUTIVE.

(i) DISABILITY. The Executive may terminate his employment hereunder for Disability within the meaning of Section 6(a)(ii) above.

(ii) WITH GOOD REASON. Executive's employment hereunder may be terminated by Executive with Good Reason effective immediately by written notice to the Board of Directors of the Employer. For purposes of this Agreement, with "Good Reason" shall mean: (i) a failure of the Board of Directors of the Employer to elect Executive to offices with the same or substantially the same duties and responsibilities as set forth in Section 2; (ii) a material failure by the Employer to comply with the provisions of Section 3 or a material breach by the Employer of any other provision of this Agreement which has not been cured within thirty (30) days after notice of noncompliance, (specifying the nature of the noncompliance) has been given by the Executive to the Employer; or (iii) a Force Out (as such term is defined in Section 6(d) below). Notwithstanding any provision of this Agreement to the contrary, with "Good Reason" shall not include any assignment of Executive to a position or office that has new or different duties, provided that such position or office is principally related to the provision of legal services, has a substantially similar level of responsibility to Executive's immediately preceding position or office and is commensurate with Executive's education, skills and experience.

(c) NOTICE OF TERMINATION. Any termination of the Executive's employment by the Employer or by the Executive (other than termination pursuant to subsection (a)(1) hereof) shall be communicated by written Notice of Termination to the other party hereto in accordance with Section 11 of this Agreement. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and, as applicable, shall set forth in reasonable detail the fact and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

(d) DEFINITIONS. The following terms shall be defined as set forth below.

(i) A "Change-in-Control" shall be deemed to have occurred after the effective date of the initial public offering of the Employer's Common Stock ("IPO") if:

(A) any Person, together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act")) of such Person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Employer representing 40% or more of either (A) the combined voting power of the Employer's then outstanding securities having the right to vote in an election of the Employer's Board of Directors ("Voting Securities") or (B) the then outstanding shares of all classes of stock of the Employer (in either such case other than as a result of the acquisition of securities directly from the Employer); or

(B) individuals who, as of the date of the closing of the IPO, constitute the Employer's Board of Directors (the "Incumbent Directors") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Employer's Board of Directors, provided that any person becoming a director of the Employer subsequent to the closing of the IPO whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors shall, for purposes of this Agreement, be considered an Incumbent Director; or

(C) the stockholders of the Employer shall approve (1) any consolidation or merger of the Employer or any subsidiary where the stockholders of the Employer, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate at least 50% of the voting shares of the corporation issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), (2) any sale, lease, exchange or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Employer or (3) any plan or proposal for the liquidation or dissolution of the Employer;

Notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) solely as the result of an acquisition of securities by the Employer which, by reducing the number of shares of stock or other Voting Securities outstanding, increases (x) the proportionate number of shares of stock of the Employer beneficially owned by any Person to 40% or more of the shares of stock then outstanding or (y) the proportionate voting power represented by the Voting Securities beneficially owned by any Person to 40% or more of the combined voting power of all then outstanding Voting Securities; PROVIDED, HOWEVER, that if any Person referred to in clause (x) or (y) of this sentence shall thereafter become the beneficial owner of any additional stock of the Employer or other Voting Securities (other than pursuant to a share split, stock dividend, or similar transaction), then a "Change-in-Control" shall be deemed to have occurred for purposes of the foregoing clause (A). In addition, notwithstanding the foregoing, a "Change-in-Control" shall not be deemed to have occurred for purposes of the foregoing clause (A) if (i) Stephen L. Green continues to serve as Chief Executive Officer or the equivalent of any surviving entity, and (ii) the proportionate number of shares of stock of the Employer beneficially owned, or the proportionate voting power represented by the Voting Securities beneficially owned, by any Person described in such clause (A) does not exceed 49%.

(ii) A "Force Out" shall be deemed to have occurred in the event of a Change-In-Control followed by:

(A) a change in duties, responsibilities, status or positions with the Employer, which, in Executive's reasonable judgment, does not represent a promotion from or maintaining of Executive's duties, responsibilities, status or positions as in effect immediately prior to the Change-In-Control, or any removal of Executive from or any failure to reappoint or reelect Executive to such positions, except in connection with the termination of Executive's employment for Cause, disability, retirement or death;

(B) a reduction by the Employer in Executive's Base Salary as in effect immediately prior to the Change-In-Control;

(C) the failure by the Employer to continue in effect any of the benefit plans in which Executive is participating at the time of the Change-In-Control of the Employer (unless Executive is permitted to participate in any substitute benefit plan with substantially the same terms and to the same extent and with the same rights as Executive had with respect to the benefit plan that is discontinued) other than as a result of the normal expiration of any such benefit plan in accordance with its terms as in effect at the time of the Change-In-Control, or the taking of any action, or the failure to act, by the Employer which would adversely affect Executive's continued participation in any of such benefit plans on at least as favorable a basis to Executive as was the case on the date of the Change-In-Control or which would materially reduce Executive's benefits in the future under any of such benefit plans or deprive Executive of any material benefits enjoyed by Executive at the time of the Change-In-Control; PROVIDED, HOWEVER, that any such action or inaction on the part of the Employer, including any modification, cancellation or termination of any benefits plan, undertaken in order to maintain such plan in compliance with any federal, state or local law or regulation governing benefits plans, including, but not limited to, the Employment Retirement Income Security Act of 1974, shall not constitute a Force Out for the purposes of this Agreement.

(D) the Employer's requiring Executive to be based in an office located beyond a reasonable commuting distance from Executive's residence immediately prior to the Change-In-Control, except for required travel relating to the Employer's business to an extent substantially consistent with the business travel obligations which Executive undertook on behalf of the Employer prior to the Change-In-Control; or

(E) the failure by the Employer to obtain from any successor to the Employer an agreement to be bound by this Agreement pursuant to Section 14 hereof.

(iii) "Person" shall have the meaning used in Sections 13(d) and 14(d) of the Exchange Act; provided however, that the term "Person" shall not include (A) any current partner of SL Green Operating Partnership, L.P., any stockholder or employee of the Employer on the date hereof or any estate or member of the immediate family of such a partner, stockholder or employee, or (B) the Employer, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan of the Employer or any of its subsidiaries.

7. COMPENSATION UPON TERMINATION OR DURING DISABILITY.

(a) TERMINATION WITHOUT CAUSE OR WITH GOOD REASON. If (i) Executive is terminated without Cause pursuant to Section 6(a)(iv) above, or (ii) Executive shall terminate his employment hereunder with Good Reason pursuant to Section (6)(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and Executive shall be entitled to the following benefits:

(i) The Employer shall continue to pay Executive's Base Salary for the remaining term of the Employment Period after the date of Executive's termination, or, if such termination occurs in connection with or after a Change-in-Control, for three years, whichever period is longer, at the rate in effect on the date of his termination and on the same periodic payment dates as payment would have been made to Executive had the Employment Period not been terminated;

(ii) For the remaining term of the Employment Period, or, if such termination occurs in connection with or after a Change-in-Control, for three years, whichever period is longer, Executive shall continue to receive all benefits described in Section 3 existing on the date of termination, including, but not limited to, any bonuses and incentive compensation described in Section 3 of this

Agreement, subject to the terms and conditions upon which such benefits may be offered. For purposes of the application of such benefits, Executive shall be treated as if he had remained in the employ of the Employer with a Base Salary at the rate in effect on the date of termination;

(iii) For purposes of any stock option plan of the Employer, (x) Executive shall be treated as if he had remained in the employ of the Employer for the remaining term of the Employment Period after the date of Executive's termination, or for one year, whichever period is longer, so that Executive may exercise any exercisable options and Executive's other rights shall continue to vest during the remaining term of the Employment Period with respect to any options previously granted under such plans, except as otherwise provided in such plans, and (y) if such termination occurs in connection with or after a Change-in-Control, any stock options and any other rights of Executive (including restricted stock awards) shall become fully vested and immediately exercisable upon such termination;

(iv) Nothing herein shall be deemed to obligate Executive to seek other employment in the event of any such termination and any amounts earned or benefits received from such other employment will not serve to reduce in any way the amounts and benefits payable in accordance herewith; and

(v) If in the opinion of tax counsel selected by the Executive and reasonably acceptable to the Employer, the Executive has or will receive any compensation or recognize any income (whether or not pursuant to this Agreement or any plan or other arrangement of the Employer and whether or not the Employment Period or the Executive's employment with the Employer has terminated) which will constitute an "excess parachute payment" within the meaning of Section 280G(b)(1) of the Internal Revenue Code (the "Code") (or for which a tax is otherwise payable under Section 4999 of the Code or any successor provision thereto), then the Employer shall pay the Executive an additional amount (the "Additional Amount") equal to the sum of (i) all taxes payable by the Executive under Section 4999 of the Code with respect to all such excess parachute payments and any such Additional Amount, plus (ii) all federal, state and local income taxes payable by Executive with respect to any such Additional Amount. Any amounts payable pursuant to this paragraph (v) shall be paid by the Employer to the Executive within 30 days of each written request therefor made by the Executive.

(b) TERMINATION FOR CAUSE OR WITHOUT GOOD REASON. If Executive is terminated for Cause pursuant to Section 6(a)(iii) above, or if Executive voluntarily terminates his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then the Employment Period shall terminate as of the effective date set forth in the written notice of such termination (the "Termination Date") and any outstanding stock options held by Executive shall expire in accordance with the terms of the stock option plan or option agreement under which the stock options were granted. Executive shall be entitled to receive the following benefits:

(i) If (A) Executive is terminated for Cause pursuant to Section 6(a)(iii)(A), (B) or (C) above (regardless of whether he submits a claim of lack of Cause to arbitration pursuant to Section 7(e) herein), (B) Executive is terminated for Cause pursuant to Section 6(a)(iii)(D) above and does not submit a claim of lack of Cause to arbitration pursuant to Section 7(e) herein, or (C) Executive voluntarily terminates his employment hereunder without Good Reason pursuant to Section 6(b)(ii) above, then Executive shall be entitled to receive only his Base Salary at the rate then in effect until the Termination Date.

(ii) If Executive is terminated for Cause pursuant to Section 6(a)(iii)(D) above and submits a claim of lack of Cause to arbitration pursuant to Section 7(e) herein, then, subject to Executive's repayment obligation under Section 7(e)(ii)(B):

(A) Executive shall be entitled to receive his Base Salary at the rate then in effect until the earlier of either the date six months after the Termination Date or the date of the arbitrator's final determination.

(B) The Employer shall, upon Executive's submission of appropriate invoices, promptly pay up to the first $25,000 of such Executive's costs of arbitration and attorney's fees until the earlier of either the date of the arbitrator's final determination or the date on which the Executive's costs of arbitration and attorney's fees equal or exceed $25,000.

(c) TERMINATION BY REASON OF DEATH. If Executive's employment terminates due to his death, the Employer shall pay Executive's Base Salary for a period of six months from the date of his death, or such longer period as the Employer's Board of Directors may determine, to Executive's estate or to a beneficiary designated by Executive in writing prior to his death. Any unexercised or unvested stock options shall remain exercisable or vest upon Executive's death only to the extent provided in the applicable option plan and option agreements.

(d) TERMINATION BY REASON OF DISABILITY. In the event that Executive's employment terminates due to his disability as defined in Section 6(a)(ii) above, Executive shall be entitled to be paid his Base Salary until the later of such time when (i) the period of disability or illness (whether or not the same disability or illness) shall exceed 180 consecutive days during the Employment Period and (ii) Executive becomes eligible to receive benefits under a comprehensive disability insurance policy obtained by the Employer (the "Disability Period"). Following the expiration of the Disability Period, the Employer may terminate this Agreement upon written notice of such termination. Any unexercised or unvested stock options shall remain exercisable or vest upon such termination only to the extent provided in the applicable option plan and option agreements.

(e) ARBITRATION IN THE EVENT OF A DISPUTE REGARDING THE NATURE OF TERMINATION. In the event that the Executive's employment is terminated by the Employer for Cause or by Executive for Good Reason, and either party contends that such Cause or Good Reason did not exist, the parties agree to submit such claim to arbitration before the American Arbitration Association ("AAA"), and Executive hereby agrees to submit to any such dispute to arbitration pursuant to the terms of this Section 7(e). In such a proceeding, the only issue before the arbitrator will be whether Executive's employment was in fact terminated for Cause or for Good Reason, as the case may be.

(i) AWARDS IN FAVOR OF THE EXECUTIVE. If the arbitrator determines that Executive's employment was terminated by the Employer without Cause or was terminated by Executive for Good Reason, the only remedy that the arbitrator may award is an amount equal to the severance payments specified in Section 7(a), the costs of arbitration, and Executive's attorneys' fees. In cases where an award is granted to an Executive who was terminated for Cause pursuant to Section 6(a)(iii)(D) above, such arbitration award shall be reduced by the amount of Base Salary, costs of arbitration and attorney's fees already paid by the Employer pursuant to Section 7(b)(ii) above.

(ii) AWARDS IN FAVOR OF THE EMPLOYER.

(A) If the arbitrator finds that Executive's employment was terminated by the Employer for Cause pursuant to Section 6(a)(iii)(A), (B), (C) or (D) above, or by the Executive without Good Reason, the arbitrator will be without authority to award Executive anything, the parties will each be responsible for their own attorneys' fees, and the costs of arbitration will be paid 50% by Executive and 50% by the Employer.

(B) In addition, if the arbitrator finds that the Executive's employment was terminated for Cause pursuant to Section 6(a)(iii)(D) above, Executive must promptly reimburse the Employer for the full amount of any Base Salary paid by the Employer with respect to periods after the Termination Date, the full amount of any attorney's fees paid by the Employer, and 50% any costs of arbitration paid by the Employer on behalf of the Executive pursuant to Section 7(b)(ii) above.

8. CONFIDENTIALITY; PROHIBITED ACTIVITIES. The Executive and the Employer recognize that due to the nature of his employment and relationship with the Employer, the Executive has access to and develops confidential business information, proprietary information, and trade secrets relating to the business and operations of the Employer. The Executive acknowledges that such information is valuable to the business of the Employer, and that disclosure to, or use for the benefit of, any person or entity other than the Employer, would cause irreparable damage to the Employer. The Executive further acknowledges that his duties for the Employer include the duty to develop and maintain client, customer, employee, and other business relationships on behalf of the Employer; and that access to and development of those close business relationships for the Employer render his services special, unique and extraordinary. In recognition that the

good will and business relationships described herein are valuable to the Employer, and that loss of or damage to those relationships would destroy or diminish the value of the Employer, the Executive agrees as follows:

(a) CONFIDENTIALITY. During the term of this Agreement (including any renewals), and at all times thereafter, the Executive shall maintain the confidentiality of all confidential or proprietary information of the Employer ("Confidential Information"), and, except in furtherance of the business of the Employer, he shall not directly or indirectly disclose any such information to any person or entity; nor shall he use Confidential Information for any purpose except for the benefit of the Employer. For purposes of the Agreement, "Confidential Information" includes, without limitation: client or customer lists, identities, contacts, business and financial information; investment strategies; pricing information or policies, fees or commission arrangements of the Employer; marketing plans, projections, presentations or strategies of the Employer; financial and budget information of the Employer; new personnel acquisition plans; and all other business related information which has not been publicly disclosed by the Employer. This restriction shall apply regardless of whether such Confidential Information is in written, graphic, recorded, photographic, data or any machine readable form or is orally conveyed to, or memorized by, the Executive. The Executive further agrees that, during the Employment Period and at all times thereafter, he shall keep confidential and shall not release, use or disclose without prior written permission of the Employer, all Confidential Information developed by him on behalf of the Employer or provided to him by the Employer, excepting only such information as was already known to him prior to the commencement of his employment by the Employer or such information as is already known to the public.

(b) PROHIBITED ACTIVITIES. Because Executive's services to the Employer are essential and because Executive has access to the Employer's Confidential Information, Executive covenants and agrees that (i) during the Employment Period, (ii) in the event that this Agreement is terminated by the Employer for Cause or by the Executive other than for Good Reason, during the one-year period following the date of such termination, and (iii) solely for purposes of paragraph (vi) below, during the five-year period following the date on which Executive's employment terminates for any reason, Executive will not, without the prior written consent of the Board of Directors of the Employer which shall include the unanimous consent of the Directors who are not officers of the Employer, directly or indirectly (individually, or through or on behalf of another entity as owner, partner, agent, employee, consultant, or in any other capacity):

(i) engage, participate or assist, as an owner, partner, employee, consultant, director, officer, trustee or agent, in any business that engages or attempts to engage, directly or indirectly, in any material acquisition, development, construction, operation, management or leasing of any commercial real estate property:

(A) anywhere in the five boroughs of New York City, regardless of whether such business is publicly or privately held;

(B) anywhere in the New York City metropolitan area, if such business or any of its affiliates (within the meaning of the Securities Act of 1933) has issued any class of publicly-traded securities;

(C) anywhere in the New York City metropolitan area, regardless of whether such business is publicly or privately held, if such business engages in the commercial real estate business in any county in which the Employer also engages in the commercial real estate business.

For purposes of this subsection, the New York City metropolitan area includes each borough of New York City; Nassau, Orange, Putnam, Rockland, Suffolk and Westchester Counties in the State of New York; Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren Counties in the State of New Jersey; and Fairfield County in the State of Connecticut);

(ii) seek, solicit, or engage in any attempt to establish for himself or for any other person or entity, a business relationship with any person or entity who was a client or customer of the Employer, or who was solicited to become a client or customer of the Employer, during the Employment Period ("Employer Clients");

(iii) engage in any activity to interfere with, disrupt or damage the business of the Employer, or its relationships with any Employer Client, employee, supplier or other business relationship;

(iv) engage in business with, or provide advice or services to, any Employer Client solicited by the Executive in breach of Section 8 of this Agreement (whether or not such services are compensated);

(v) receive, or cause any other person or entity to receive, any compensation, consideration, or income, in any form, from any Employer Client solicited by him in breach of Section 8 of this Agreement; or

(vi) solicit, encourage, or engage in any activity to induce any Employee of the Employer to terminate employment with the Employer, or to become employed by, or to enter into a business relationship with, any other person or entity. For purposes of this subsection, the term Employee means any individual who is an employee of or consultant to the Employer (or any affiliate) during the six-month period prior to Executive's last day of employment.

Notwithstanding any of the foregoing, Executive shall not be prohibited from engaging in the practice of law with, for or on behalf of any person or entity as a partner, agent, employee, consultant, or in any other capacity.

(c) OPTION PROPERTY. Notwithstanding anything contained herein to the contrary, Executive is not prohibited by this Section 8 from (i) maintaining his or her investment in any Option Property (as such term is defined in the Employer's final prospectus relating to the IPO) or in any asset listed in the Employer's final prospectus relating to the IPO under the caption "The Properties - Assets Not Being Transferred to the Company" or (ii) from making investments in any entity that engages, directly or indirectly, in the acquisition, development, construction, operation, management or leasing of office real estate properties, regardless of where they are located, if the shares or other ownership interests of such entity are publicly traded and Executive's aggregate investment in such entity constitutes less than one percent (1%) of the equity ownership of such entity.

(d) EMPLOYER PROPERTY. The Executive acknowledges that all originals and copies of materials, records and documents generated by him or coming into his possession during his employment by the Employer are the sole property of the Employer ("Employer Property"). During his employment, and at all times thereafter, the Executive shall not remove, or cause to be removed, from the premises of the Employer, copies of any record, file, memorandum, document, computer related information or equipment, or any other item relating to the business of the Employer, except in furtherance of his duties under the Agreement. When the Executive terminates his employment with the Employer, or upon request of the Employer at any time, the Executive shall promptly deliver to the Employer all originals and copies of Employer Property in his possession or control and shall not retain any originals or copies in any form.

(e) NO DISPARAGEMENT. Following termination of the Executive's employment for any reason, the Executive shall not disclose or cause to be disclosed any negative, adverse or derogatory comments or information about (i) the Employer and its parent, affiliates or subsidiaries, if any; (ii) any product or service provided by the Employer and its parent, affiliates or subsidiaries, if any; or (iii) the Employer's and its parent's, affiliates' or subsidiaries' prospects for the future.

(f) REMEDIES. The Executive declares that the foregoing limitations in Sections 8(a) through 8(f) above are reasonable and necessary for the adequate protection of the business and the goodwill of the Employer. If any restriction contained in this Section 8 shall be deemed to be invalid, illegal or unenforceable by reason of the extent, duration or scope thereof, or otherwise, then the court making such determination shall have the right to reduce such extent, duration, scope, or other provisions hereof to make the restriction consistent with applicable law, and in its reduced form such restriction shall then be enforceable in the manner contemplated hereby. In the event that the Executive breaches any of the promises contained in this Section 8, the Executive acknowledges that the Employer's remedy at law for damages will be inadequate and that the Employer will be entitled to specific performance, a temporary restraining order or preliminary injunction to prevent the Executive's prospective or continuing breach and to maintain the status quo. The existence of this right to injunctive relief, or other equitable relief, or the Employer's exercise of any of these rights, shall not limit any other rights or remedies the Employer may have in law or in equity including, without limitation, the right to arbitration contained in Section 7(e) hereof and the right to compensatory, punitive and monetary damages. In the event that a final non-appealable judgment is entered in favor of one of the parties, that party shall be reimbursed by the other party for all costs and attorneys' fees incurred by such party in such action. Executive hereby agrees to waive his right to a jury trial with respect to any action commenced to enforce the terms of this Agreement.

(g) TRANSITION. Regardless of the reason for his departure from the Employer, the Executive agrees that: (i) he shall assist the Employer in maintaining the business of the clients and customers with whom the Executive has a relationship; and (ii) he shall take all steps reasonably requested by the Employer to effect a successful transition of those relationships to the person or persons designated by the Employer.

(h) SURVIVAL. The provisions of this Section 8 shall survive termination of the Executive's employment. The covenants contained in Section 8 shall be construed as independent of any of other provisions contained in this Agreement and shall be enforceable regardless of whether the Executive has a claim against the Employer under the Agreement or otherwise.

9. COOPERATION. The Executive agrees to give prompt written notice to the Employer of any claim or injury relating to the Employer, and to fully cooperate in good faith and to the best of his ability with the Employer in connection with all pending, potential or future claims, investigations or actions which directly or indirectly relate to any transaction, event or activity about which the Executive may have knowledge because of his employment with the Employer. Such cooperation shall include all assistance that the Employer, its counsel, or its representatives may reasonably request, including reviewing documents, meeting with counsel, providing factual information and material, and appearing or testifying as a witness.

10. CONFLICTING AGREEMENTS. Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which he is a party or is bound, and that he is not now subject to any covenants against competition or similar covenants which would affect the performance of his obligations hereunder.

11. NOTICES. All notices or other communications required or permitted to be given hereunder shall be in writing and shall be delivered by hand and or sent by prepaid telex, cable or other electronic devices or sent, postage prepaid, by registered or certified mail or telecopy or overnight courier service and shall be deemed given when so delivered by hand, telexed, cabled or telecopied, or if mailed, three days after mailing (one business day in the case of express mail or overnight courier service), as follows:

(a) if to the Executive:

70 West 36th Street
New York, New York 10018

(b) if to the Employer:

SL Green Realty Corp.
70 West 36th Street
New York, New York 10018

or such other address as either party may from time to time specify by written notice to the other party hereto.

12. AMENDMENTS. No amendment, modification or waiver in respect of this Agreement shall be effective unless it shall be in writing and signed by the party against whom such amendment, modification or waiver is sought.

13. SEVERABILITY. If any provision of this Agreement (or any portion thereof) or the application of any such provision (or any portion thereof) to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof (or the remaining portion thereof) or the application of such provision to any other persons or circumstances.

14. SUCCESSORS. Neither this Agreement nor any rights hereunder may be assigned or hypothecated by the Executive. This Agreement may be assigned by the Employer and shall be binding upon, and inure to the benefit of, the Employer's successors and assigns.

15. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more such counterparts have been signed by each of the parties and delivered to the other party.

16. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflicts of law principles of such State.

17. CHOICE OF VENUE. Executive agrees to submit to the jurisdiction of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, for the purpose of any action to enforce any of the terms of this Agreement.

18. ENTIRE AGREEMENT. This Agreement contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter. The parties hereto shall not be liable or bound to any other party in any manner by any representations, warranties or covenants relating to such subject matter except as specifically set forth herein.

19. PARAGRAPH HEADINGS. Paragraph headings used in this Agreement are included for convenience of reference only and will not affect the meaning of any provision of this agreement.

IN WITNESS WHEREOF, this Agreement is entered into as of the date and year first above written.

SL GREEN REALTY CORP.

By:________________________________
Name:
Title:

EXHIBIT 12.1

SL GREEN REALTY CORP.
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	SL GREEN REALTY CORP. (CONSOLIDATED)			SL GREEN COMPANY PREDECESSOR (COMBINED)		
	YEAR ENDED DECEMBER 31,		AUGUST 21, 1997 TO DECEMBER 31,	JANUARY 1, 1997 TO AUGUST 20,	YEARS ENDED DECEMBER 31,	
	1999	1998	1997	1997	1996	1995
EARNINGS						
Income (loss) from continuing operations.........	$33,258	$23,482	$ 6,633	$ (100)	$(3,470)	$(6,923)
Interest.............	27,191	11,699	1,637	4,874	7,252	7,338
Portion of rent expense representative of interest...........	10,300	9,903	497	867	1,344	1,323
Amortization of loan costs..............	2,278	1,084	110	143	192	200
Total earnings.....	$73,027	$46,168	$ 8,877	$5,784	$ 5,318	$ 1,938
FIXED CHARGES AND PREFERRED STOCK DIVIDENDS (1)						
Interest.............	27,191	11,699	$ 1,637	4,874	7,252	7,338
Preferred stock dividends..........	9,200	5,720	--	--	--	--
Interest capitalized........	--	--	--	--	--	--
Portion of rent expense representative of interest...........	10,300	9,903	497	867	1,344	1,323
Amortization of loan costs expensed.....	2,278	1,084	110	143	192	200
Total Fixed Charges and Preferred Stock Dividends........	$48,969	$28,406	$ 2,244	$5,884	$ 8,788	$ 8,861
Ratio of earnings to combined fixed charges and preferred stock dividends..........	1.49x	1.63x	3.96x	(2)	(2)	(2)

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(1) Prior to May 18, 1998, no preferred stock had been issued or was outstanding.

(2) For the period January 1, 1997 to August 20, 1997 and the years ended December 31, 1996, and 1995, SL Green Predecessor's fixed charge ratios were deficits of $100, $3,470, and $6,923 respectively.

Exhibit 21.1

SLG SUBSIDIARIES

A PROPERTY	B ENTITIES	C STATE OF FORMATION	D DATE OF FORMATION
70 West 36th Street	Green 70W36 Property LLC	a New York limited liability company	April 14, 1999
	Green 70W36 Manager LLC	a Delaware limited liability company	April 13, 1999
36 WEST 44TH STREET	Green 36W44 Property LLC	a New York limited liability company	April 14, 1999
	Green 36W44 Manager LLC	a Delaware limited liability company	April 13, 1999
35 WEST 43RD STREET	Green 35W43 Property LLC	a New York limited liability company	April 14, 1999
	Green 35W43 Manager LLC	a Delaware limited liability company	April 13, 1999
633 THIRD AVENUE	Green 633 Property LLC	a New York limited liability company	April 14, 1999
	Green 633 Manager LLC	a Delaware limited liability company	April 15, 1999
1414 AVE OF AM.	Green 1414 Property LLC	a New York limited liability company	April 14, 1999
	Green 1414 Manager LLC	a Delaware limited liability company	April 15, 1999
1250 BROADWAY	Carlyle/SL Green 1250 Broadway	a New York limited liabilty company	August 23, 1999
	Green 1250 Broadway LLC	a Delaware limited liability company	August 27, 1999
90 BROAD STREET	Green 90 Broad LLC	a New York limited liability company	February 17, 1999
286 MADISON AVE	Green 286 Madison LLC	a New York limited liability company	February 17, 1999
290 MADISON AVE	Green 290 Madison LLC	a New York limited liability company	February 17, 1999
292 MADISON AVE	Green 292 Madison LLC	a New York limited liability company	February 17, 1999
555 WEST 57TH ST	Green W.57th St., LLC	a New York limited liability company	January 7, 1999

420 LEXINGTON AV	SLG Graybar Sublease LLC	a New York limited liability company	March 5, 1999
	SLG Graybar Mesne Lease LLC	a New York limited liability company	March 5, 1999
	SLG Graybar Sublease Corp.	a New York corporation	March 8, 1999

SLG SUBSIDIARIES

A PROPERTY	B ENTITIES	C STATE OF FORMATION	D DATE OF FORMATION
	SLG Graybar Mesne Lease Corp.	a New York corporation	March 5, 1999
	SLG Graybar Debt, LLC	a New York limited liability company	October 12, 1999
711 THIRD AVE	SLG 711 Fee LLC	a New York limited liability company	September 13, 1999
	SLG 711 Third LLC	a New York limited liability company	September 13, 1999
	Green 711 Mortgage Manger LLC	a Delaware limited liability company	September 9, 1999
	Green 711 Fee Manager LLC	a Delaware limited liability company	September 9, 1999
	Green 711 Sublease Manger LLC	a Delaware limited liability company	September 10, 1999
	Green 711 LM LLC	a New York limited liability company	September 9, 1999
1140 AVE.OF AM.	New Green 1140 Realty LLC	a New York limited liability company	July 30, 1997
1412 BROADWAY	Green 1412 Broadway LLC	a New York limited liability company	July 30, 1998
50 WEST 23RD ST.	New Green 50W23 Realty LLC	a New York limited liability company	August 7, 1997
673 FIRST AVE.	New Green 673 Realty LLC	a New York limited liability company	July 30, 1997
17 BATTERY	SLG 17 Battery LLC	a New York limited liability company	November 10, 1997
1370 AVE OF AM	SLG 1370 Acquisition LLC	a New York limited liability company	May 4, 1999
	SLG 1370 Option LLC	a New York limited liability company	May 4, 1999
100 PARK AVENUE	SLG 100 Park LLC	a Delaware limited liability company	January 27, 2000
	SL Green 100 Park LLC	a New York limited liability company	November 12, 1999

GENERAL INFORMATION:

SL Green Realty Corp., a Maryland corporation formed June 10, 19997

SL Green Operating Partnership L.P., a Delaware limited partnership formed June 10, 1997

SL Green Management LLC, a Delaware limited liability company formed July 31, 1997

SL Green Management Corp., a New York corporation formed October 22, 1985

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Emerald City Construction LLC, a New York limited liability company formed June 30, 1999

- --

SLG Leasing LLC, a New York limited liability company formed June 30, 1999

- --

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-3 for the registration of (i) $400,000,000 of its common and preferred stock, No. 33-68493; (ii) 2,383,284 shares of its common stock, No. 333-70111 and (iii) 1,173,232 shares of its common stock, No. 333-30394 and Form S-8 pertaining to the Amended 1997 Stock Option and Incentive Plan) of SL Green Realty Corp. and in the related Prospectus of our report dated February 11, 2000 (except Note 20, as to which the date is March 8, 2000) with respect to the consolidated financial statements and schedule of SL Green Realty Corp. included in this Annual Report (Form 10-K) for the two years ended December 31, 1999 and for the period August 21, 1997 (date of commencement of operations) to December 31, 1997, (ii) dated February 10, 1998 with respect to the combined financial statements of SL Green Predecessor for the period January 1, 1997 to August 20, 1997 and (iii) dated February 10, 1998 with respect to the combined financial statements of the uncombined joint ventures of SL Green Predecessor for the period January 1, 1997 to August 20, 1997.

/s/ Ernst & Young LLP

New York, New York
March 13, 2000

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DEC-31-1999
JAN-01-1999
DEC-31-1999
21,561
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(989)
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1.37