



SL Green Realty Corp.  
Second Quarter 2001  
Supplemental Data  
June 30, 2001

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

- SL Green's common stock and Preferred Income Equity Redeemable Shares ("PIERS" <sup>SM</sup>), are listed on the New York Stock Exchange, and trade under the symbols: SLG and SLG PrA respectively.
- SL Green maintains an internet site at [www.slgreen.com](http://www.slgreen.com) at which most key investor relations data pertaining to dividend declaration, payout, current and historic share price, etc. can be found. Such information is not reiterated in this supplemental financial package. This supplemental financial package is available through the Company's Internet site.
- This data is presented to supplement audited and unaudited regulatory filings of the Company and should be read in conjunction with those filings. The financial data herein is unaudited and is provided from the prospective of timeliness to assist readers of quarterly and annual financial filings. As such, data otherwise contained in future regulatory filings covering the same period may be restated from the data presented herein.
- Questions pertaining to the information contained herein should be referred to Michael W. Reid or Thomas E. Wirth at [michael.reid@slgreen.com](mailto:michael.reid@slgreen.com) or [tom.wirth@slgreen.com](mailto:tom.wirth@slgreen.com) or at 212-594-2700.

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

The following discussion related to the consolidated financial statements of the Company should be read in conjunction with the financial statements for the Quarter ended June 30, 2001 that will subsequently be released on Form 10-Q to be filed on or before August 15, 2001.

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## CORPORATE PROFILE

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

Looking forward, SL Green Realty Corp. will continue its opportunistic investment philosophy through 3 established business lines: wholly owned property investments, co-ownership in properties with institutional partners, and structured finance investments. This three-legged investment strategy will allow SL Green to balance the components of its portfolio to take advantage of each stage in the business cycle.

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

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# FINANCIAL HIGHLIGHTS

SECOND QUARTER 2001  
UNAUDITED

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## EARNINGS PERFORMANCE

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Second quarter Funds From Operations (FFO) were \$23.4 million or \$0.80 per share (diluted), 23% better than one year ago, when FFO was \$18.3 million or \$0.65 per share (diluted). For the six months ended June 30, 2001, FFO was \$44.6 million or \$1.53 per share (diluted), a 20% improvement over 2000 when FFO was \$35.5 million or \$1.27 per share (diluted).

The 23% (\$5.1 million) growth in second quarter FFO reflects contributions from the following:

(1) Consolidated GAAP NOI increased \$8.2 million:

- ◄ \$6.2 million from 2001 acquisitions of One Park Avenue, 1370 Broadway and 317 Madison Avenue.
- ◄ \$2.3 million increase from same store properties as GAAP revenue increased \$2.8 million, net of change in credit loss, (i) \$1.8 million in rental revenue as GAAP replacement rents which were 55% higher than the previously fully escalated rents and (ii) increased escalation and reimbursement income (\$1.4 million) related to the increased recovery (\$0.4 million) of higher electric expense resulting from the higher electric rates, and increased passthroughs (\$0.8 million). The electric recovery rate for the quarter was 90%. Revenue gains were partially offset by \$0.5 million of higher operating costs that resulted primarily from higher utility costs (\$0.3 million).

◄ \$1.4 million increase from the Company's joint ventures primarily due to the contribution of One Park Avenue to a joint venture and the purchase of 469 Seventh Avenue and 180 Madison Avenue, partially offset by the sale of 90 Broad Street.

◄ \$1.9 million decrease from wholly-owned properties sold (17 Battery South) or contributed to a joint venture (321 West 44<sup>th</sup> Street).

(2) Investment income increased \$1.5 million due to increased investment in structured finance (\$1.1 million) and interest (\$0.4 million).

(3) Higher interest costs (\$3.1 million) associated with: higher average debt levels due to net acquisition and new investment debt activity (\$3.7 million), the higher average debt levels due to the funding of ongoing capital projects and working capital requirements (\$0.2 million), partially off-set by lower interest rates from floating rate debt (\$0.8 million).

(4) MG&A increased \$0.5 million from higher personnel costs due to several executive management changes.

(5) Non-real estate depreciation increased \$0.1 million due to additional amortization of financing costs associated with the company's new line of credit.

(6) Equity in income from affiliates decreased from \$0.4 million to a loss of \$0.6 million. The loss is



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## FINANCIAL HIGHLIGHTS CONTINUED

SECOND QUARTER 2001  
UNAUDITED

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primarily due to the operations of e.Emerge as licensing rates are currently lower than expected.

For the quarter, net income available to common shareholders, adjusted for property sales, extraordinary items and the cumulative effect of accounting change increased 38% to \$12.5 million, or \$0.51 per share (diluted) as compared to \$8.6 million, or \$0.37 per share (diluted), for the same period in the previous year. For the six months ended June 30, 2001, adjusted net income increased 29% to \$22.9 million, or \$0.91 per share (diluted), as compared to \$16.0 million, or \$0.72 per share (diluted), for the same period in the previous year.

### QUARTERLY OPERATING MARGINS

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Cash NOI in the 2001 “same store” portfolio rose \$4.0 million (17%) from \$23.9 million in 2000 to \$27.9 million in 2001, and operating margins before ground rent improved from 55.3% to 60.2%. GAAP NOI increased by \$2.3 million, approximately 9% over a year ago, and GAAP operating margins after ground rent improved from 56.9% to 58.2%.

One of the primary drivers increasing same store cash NOI is the \$2.8 million (6%) increase in total revenue combined with a \$1.8 million reduction in free and straight-line rent, resulting in a \$4.6 million (10.4%) increase in cash revenue. The decrease in free rent (\$1.3 million) is primarily due to 711 Third Avenue (\$0.8 million), 420 Lexington Avenue (\$0.4 million) and 440 Ninth Avenue

(\$0.3 million). The decrease in free rent is due to several new large tenants (Ketchum at 711 Third Avenue and New York Life at 420 Lexington Avenue) having had free rent in 2000 and now pay cash rents in 2001.

The \$2.8 million increase in same store revenue is due to:

1. An increase in rent revenue of \$1.5 million resulting from higher replacement rents on approximately 425,000 square feet that were 55% greater than previously fully escalated rents.
2. Higher escalation and reimbursement income (\$1.4 million), consisting of electric reimbursement (\$0.4 million) and increased passthrough of operating costs (\$0.8 million).

Partially offsetting these revenue increases was a decrease in signage rent (\$0.4 million).

The Company’s consolidated second quarter EBITDA margins before ground rent improved to 68.8% compared to 64.8% for 2000. The EBITDA margin after ground rent improved to 63.6% as compared to 58.8% in the same period of the prior year.

These margin improvements are attributable to (i) GAAP NOI growth resulting from leasing due to average improvement in replacement rents over this 12 month period of 49% versus previously escalated rents, (ii) income from unconsolidated joint ventures, (iii) income from structured finance and investment

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# FINANCIAL HIGHLIGHTS CONTINUED

SECOND QUARTER 2001  
UNAUDITED

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income and (iv) property acquisitions, net of property dispositions.

## QUARTERLY LEASING HIGHLIGHTS

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Vacancy at March 31, 2001 was 276,994 useable square feet net of holdover tenants. During the quarter, 79,975 additional useable office square feet became available at an average escalated cash rent of \$30.87 per rentable square foot and the Company acquired 19,393 usable square feet through the 317 Madison Avenue acquisition. Space available before holdovers to lease during the quarter totaled 394,214 useable square feet, or 3.9% of the total portfolio.

During the second quarter, 33 leases were signed totaling 48,930 useable office square feet with new cash rents averaging \$42.52 per rentable square foot (exclusive of storage and retail space). Replacement rents were 47% greater than rents on previously occupied space, which had a fully escalated cash rent averaging \$28.96 per rentable square foot. Average tenant concessions were one month of free rent and an allowance of \$1.13 per rentable square foot. Including early renewals and excluding holdover tenants, the tenant renewal rate was 74%. 17 leases have expired comprising 28,644 useable square feet that are in a holdover status. In addition, the Company sold 19,625 useable square feet of vacancy at 1412 Broadway. This results in 316,397 useable square feet (net of holdovers) remaining available as of June 30, 2001.

The Company signed 5 leases for 19,989 useable square feet that were for early renewals. The early renewals for space were not scheduled to become available until after the fourth quarter of 2001. The Company was able to renew the current office tenants at an average cash rent of \$38.35, representing an increase of 13% over the previously fully escalated rents of \$33.99. Excluding a set option on space at 1414 Avenue of the Americas, the average rent would have been \$43.03 per square foot representing an increase of 16.0%.

## NEW ACTIVITY

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### Common Share Issuance

On July 19<sup>th</sup>, the Company announced that it had sold 5 million primary common shares at a gross price of \$30.66 per share. After the underwriter's discount, net proceeds to the Company totaled \$149.0 million, or \$29.80 per share. The immediate use of proceeds will be to pay down the Company's unsecured revolving credit facility. After giving effect to the issuance and the completed third quarter activity, the Company's pro-forma debt to market capitalization is 29.10% and the lines of credit availability is \$267.3 million with an outstanding balance of \$71.0 million on the unsecured line of credit and \$21.7 million on the secured line of credit. Following the offering, the Company's outstanding basic common shares totaled 29.9 million and weighted-average fully diluted shares totaled 37.2 million.

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# FINANCIAL HIGHLIGHTS CONTINUED

SECOND QUARTER 2001  
UNAUDITED

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## **Real Estate Activity**

### 317 Madison Avenue Acquisition

In June 2001, the Company closed on the acquisition of 317 Madison Avenue for an aggregate purchase price of \$105.6 million (\$235 per square foot). The property was acquired from Richfield Investment Company. The 22-story building is located at the Northeast corner of Madison Avenue and 42<sup>nd</sup> Street with direct access to Grand Central Station. The acquisition was funded, in part, with proceeds from the sale of 1412 Broadway in a reverse 1031 tax-free exchange, thereby deferring the capital gain resulting from such sale. The balance of the acquisition was funded using the Company's line of credit. The Company expects to complete a \$65-\$70 million first mortgage financing during the third quarter with the proceeds repaying the unsecured line of credit.

### One Park Joint Venture

In May 2001, the Company announced that it entered into a joint venture with respect to the ownership of the Company's interests in One Park Avenue with SITQ Immobilier, a subsidiary of Caisse de Depot et Placement du Quebec, the largest pension fund in Canada with over Cdn

\$125 billion in assets under management. Under the terms of the joint venture, SITQ Immobilier purchased a 45% interest in the Company's interests in the property based upon a gross aggregate price of \$233.9 million and yielding proceeds of approximately \$41.0 million, inclusive of

closing costs and reimbursements. The transaction enables the Company to free up capital for additional high growth opportunities while enhancing the yield on its investment interests in One Park Avenue through various fee arrangements with respect to the investment.

### 1412 Broadway Sale

In June 2001, the Company completed the previously announced sale of 1412 Broadway for \$90.7 million, to an affiliate of JER Partners, a subsidiary of the J.E. Robert Companies of McLean, VA. As part of the transaction, the Company retained a participating preferred equity position of \$8.0 million in the property. The Company realized a book gain on the sale in the amount of approximately \$4.1 million (before the write off of a \$1.0 million loss on the related initial financing arrangement). Proceeds from the sale of 1412 Broadway were used to fund the acquisition of 317 Madison Avenue in a reverse 1031 tax-free exchange allowing the Company to defer all of the taxable gain.

## **Structured Finance Activity**

- Three separate transactions totaling \$85.7 million were originated at a retained yield of 15.8%
- \$51.9 million repaid yielding a 25.3% unlevered IRR
- \$25.0 million participation to PREI under the investment program



# FINANCIAL HIGHLIGHTS CONTINUED



SECOND QUARTER 2001  
UNAUDITED

## PREI Investment Program

The Company has entered into a non-exclusive investment program with Prudential Real Estate Investors (PREI) that will invest up to \$250 million in structured finance investments collateralized by New York City commercial real estate. Under the terms of the program, the Company and PREI will co-invest by purchasing 50% participation interests in structured finance investments originated, managed and serviced by the Company. The investment program will target mezzanine loans, first mortgage bridge loans, preferred equity, and junior mortgage participations in prime, well-located commercial real estate primarily in Midtown Manhattan. The Company will enhance its total return on investment through fees charged to the venture for origination, asset management and servicing as well as incentive returns based upon the overall performance of the investments.

## CAPITALIZATION AND LIQUIDITY

The Company's dividend payout ratio was 48.4% of FFO and 46.2% of FAD before first cycle leasing costs.

Excluding the 2 Grand Central Terminal original issue discount acceleration of \$5.6 million, or \$0.17 per share, FAD would have increased 63% and resulted in a normalized payout ratio of 61.5%.

The Company's annual dividend distribution rate is \$1.55. The Company declared a quarterly dividend distribution on June 29, 2001 of \$0.3875 per common share. The Company also declared a dividend of \$0.50 per share of Preferred Income Equity Redeemable Stock for shareholders of record as of June 29, 2001. Both dividends were paid on July 13, 2001.

## OTHER

The Company has changed "Same Store" results to include all properties as of 1/1/01 that were owned 12 months or more. Subsequently, the same store group has been adjusted to remove properties sold during the year and will include the following properties:

### 2001 SAME STORE

673 First Avenue	1140 Avenue of the Americas	420 Lexington Avenue
470 Park Avenue South	50 West 23 <sup>rd</sup> Street	1466 Broadway
70 West 36 <sup>th</sup> Street	555 West 57 <sup>th</sup> Street	440 Ninth Avenue
1414 Avenue of the Americas	711 Third Avenue	1412 Broadway
1372 Broadway	110 East 42 <sup>nd</sup> Street	292 Madison Avenue
286 Madison Avenue	290 Madison Avenue	

# FINANCIAL HIGHLIGHTS

Second Quarter  
Unaudited



	Three Months Ended June 30	
	2001	2000
<b>Operational Information</b>		
Total Revenues (000's)	\$66,476	\$56,494
<b>Funds from Operations</b>		
FFO per share- diluted	\$0.80	\$0.65
FFO Payout	48.4%	55.8%
<b>Funds Available for Distribution</b>		
FAD per share- diluted	\$0.84	\$0.41
FAD Payout	46.2%	88.4%
<b>Net Income available to common shareholders</b>		
per share - diluted	\$0.60	\$0.53
<b>Dividends per share</b>	\$0.3875	\$0.3625
<b>Same-store Cash NOI increase</b>		
	17%	22%
<b>Capitalization Data (000's)</b>		
Total Assets	\$1,319,665	\$1,160,842
Total Debt	\$608,649	\$492,046
Minority Interest	\$43,546	\$42,544
Preferred Stock	\$111,002	\$110,561
Quarter End Closing Price - SLG Common Stock	\$30.31	\$26.73
Total Market Capitalization	\$1,759,723	\$1,429,570
<b>Ratios</b>		
Consolidated Debt to Total Market Capitalization	39.36%	37.21%
Joint Venture Debt Allocated	46.72%	41.91%
<b>Portfolio</b>		
<b>Total Buildings</b>		
Directly Owned	19	19
Joint Ventures	6	4
	25	23
<b>Total SF</b>	10,105,800	9,130,800
<b>End of Quarter Occupancy</b>	98%	98%

# COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>6/30/2001</u>	<u>6/30/2000</u>	<u>+/-</u>	<u>3/31/2001</u>	<u>+/-</u>	<u>12/31/2000</u>	<u>+/-</u>
<b>Assets</b>							
Commercial real estate properties, at cost:							
Land & land interests	140,657	131,991	8,666	165,814	(25,157)	125,572	15,085
Buildings & improvements fee interest	683,889	646,150	37,739	785,280	(101,391)	618,637	65,252
Buildings & improvements leasehold	141,670	135,886	5,784	140,951	719	139,393	2,277
Buildings & improvements under capital lease	<u>12,208</u>	<u>12,208</u>	-	<u>12,208</u>	-	<u>12,208</u>	-
	978,424	926,235	52,189	1,104,253	(125,829)	895,810	82,614
Less accumulated depreciation	<u>(86,585)</u>	<u>(68,653)</u>	(17,932)	<u>(81,409)</u>	(5,176)	<u>(78,432)</u>	(8,153)
	891,839	857,582	34,257	1,022,844	(131,005)	817,378	74,461
Other Real Estate Investments:							
Investment in unconsolidated joint ventures	124,495	63,850	60,645	72,673	51,822	65,031	59,464
Mortgage loans and preferred equity investments	97,832	76,962	20,870	92,982	4,850	51,293	46,539
Properties held for sale	-	-	-	82,153	(82,153)	10,895	(10,895)
Cash and cash equivalents	43,742	15,317	28,425	8,078	35,664	10,793	32,949
Restricted cash:							
Tenant security	26,408	18,081	8,327	20,603	5,805	19,479	6,929
Escrows & other	11,108	13,045	(1,937)	22,842	(11,734)	67,344	(56,236)
Tenant and other receivables, net of \$3,049 reserve at 6/30/01	7,008	6,851	157	8,940	(1,932)	7,580	(572)
Related party receivables	955	781	174	1,046	(91)	917	38
Deferred rents receivable, net of reserve for tenant credit loss of \$5,441 at 6/30/01	49,354	42,867	6,487	46,843	2,511	45,816	3,538
Investment in and advances to affiliates	7,932	7,527	405	6,919	1,013	6,373	1,559
Deferred costs, net	37,446	37,922	(476)	40,940	(3,493)	40,113	(2,667)
Other assets	<u>21,546</u>	<u>20,057</u>	1,489	<u>16,650</u>	4,896	<u>18,142</u>	3,404
<b>Total Assets</b>	<b><u>1,319,665</u></b>	<b><u>1,160,842</u></b>	<b>158,823</b>	<b><u>1,443,513</u></b>	<b>(123,848)</b>	<b><u>1,161,154</u></b>	<b>158,511</b>

# COMPARATIVE BALANCE SHEETS



Unaudited  
(000's omitted)

	<u>6/30/2001</u>	<u>6/30/2000</u>	<u>+/-</u>	<u>3/31/2001</u>	<u>+/-</u>	<u>12/31/2000</u>	<u>+/-</u>
<b>Liabilities and Stockholders' Equity</b>							
Mortgage notes payable	325,411	346,294	(20,883)	528,535	(203,124)	414,342	(88,931)
Revolving credit facilities	283,238	145,752	137,486	211,926	71,312	46,374	236,864
Derivative Instruments-fair value	2,383	-	2,383	2,814	(431)	-	2,383
Accrued interest payable	2,533	1,823	710	3,676	(1,143)	2,349	184
Accounts payable and accrued expenses	20,922	26,851	(5,929)	22,122	(1,200)	24,818	(3,896)
Deferred compensation awards	1,838	-	1,838	1,838	-	2,833	(995)
Deferred revenue	1,587	1,838	(251)	2,073	(486)	1,112	475
Capitalized lease obligations	15,437	15,165	272	15,369	68	15,303	134
Deferred land lease payable	13,866	12,493	1,373	13,512	354	13,158	708
Dividend and distributions payable	12,796	12,010	786	12,746	50	12,678	118
Security deposits	20,776	18,104	2,672	20,137	639	19,014	1,762
Total Liabilities	700,787	580,330	120,457	834,748	(133,961)	551,981	148,806
Minority interest (2,281 units outstanding)	43,546	42,544	1,002	43,062	484	43,326	220
8% Preferred Income Equity Redeemable Shares \$0.01 par value, \$25.00 mandatory liquidation preference, 4,600 outstanding	111,002	110,561	441	110,888	114	110,774	228
<b>Stockholders' Equity</b>							
Common stock, \$.01 par value 100,000 shares authorized, 24,859 issued and outstanding at 6/30/01	249	244	5	248	1	246	3
Additional paid – in capital	436,262	425,837	10,425	433,482	2,780	428,698	7,564
Deferred compensation plans & officer loans	(9,072)	(6,239)	(2,833)	(9,400)	328	(5,037)	(4,035)
Accumulated Other Comprehensive Income (loss)	(1,896)	-	(1,896)	(2,409)	513	-	(1,896)
Retained earnings	38,787	7,565	31,222	32,894	5,893	31,166	7,621
Total Stockholders' Equity	464,330	427,407	36,923	454,815	9,515	455,073	9,257
<b>Total Liabilities and Stockholders' Equity</b>	<b>1,319,665</b>	<b>1,160,842</b>	<b>158,823</b>	<b>1,443,513</b>	<b>(123,848)</b>	<b>1,161,154</b>	<b>158,511</b>

# COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended		+/-	%	Three Months Ended	Six Months Ended
	Jun-01	Jun-00			Mar-01	Jun-01
<b>Revenues</b>						
Rental revenue, net	51,208	42,740	8,468	20%	51,991	103,199
Free rent	1,136	2,394	(1,258)	-53%	1,948	3,084
Amortization of free rent	(816)	(840)	24	-3%	(838)	(1,654)
Net free rent	320	1,554	(1,234)	-79%	1,110	1,430
Straight-line rent	2,335	2,356	(21)	-1%	2,551	4,886
Allowance for S/L tenant credit loss	(458)	(240)	(218)	91%	(649)	(1,107)
Escalation and reimbursement revenues	7,296	5,367	1,929	36%	8,057	15,353
Signage rent	179	597	(418)	-70%	350	529
Investment income	5,046	3,923	1,123	29%	3,274	8,320
Other income	550	197	353	179%	310	860
<b>Total Revenues, net</b>	<b>66,476</b>	<b>56,494</b>	<b>9,982</b>	<b>18%</b>	<b>66,994</b>	<b>133,470</b>
Equity in income/(loss) from affiliates	(658)	369	(1,027)	-279%	(269)	(927)
Equity in income from unconsolidated joint ventures	1,756	782	974	125%	1,513	3,269
<b>Expenses</b>						
Operating expenses	14,081	13,443	638	5%	15,826	29,907
Ground rent	3,159	3,159	-	0%	3,159	6,318
Real estate taxes	7,958	7,053	905	13%	8,180	16,138
Marketing, general and administrative	3,668	3,190	478	15%	3,547	7,215
<b>Total Operating Expenses</b>	<b>28,866</b>	<b>26,845</b>	<b>2,021</b>	<b>8%</b>	<b>30,712</b>	<b>59,578</b>
<b>EBITDA</b>	<b>38,708</b>	<b>30,800</b>	<b>7,908</b>	<b>26%</b>	<b>37,526</b>	<b>76,234</b>
Interest	13,171	10,053	3,118	31%	13,897	27,068
Depreciation and amortization	9,189	8,403	786	9%	9,720	18,909
<b>Income Before Minority Interest</b>	<b>16,348</b>	<b>12,344</b>	<b>4,004</b>	<b>32%</b>	<b>13,909</b>	<b>30,257</b>
Extraordinary loss- early debt extinguishment	-	(430)	430	-100%	(98)	(98)
Gain on sale of properties	3,002	4,797	(1,795)	-37%	1,514	4,516
Gain on redemption of preferred equity inv.	-	-	-	0%	-	-
Cumulative effect of accounting change	-	-	-	0%	(532)	(532)
Minority interest - OP	(1,405)	(1,316)	(89)	7%	(1,081)	(2,486)
<b>Net Income</b>	<b>17,945</b>	<b>15,395</b>	<b>2,550</b>	<b>17%</b>	<b>13,712</b>	<b>31,657</b>
Dividends on preferred shares	2,300	2,300	-	0%	2,300	4,600
Preferred stock accretion	115	107	8	8%	114	229
<b>Income Available For Common Shares</b>	<b>15,530</b>	<b>12,988</b>	<b>2,542</b>	<b>20%</b>	<b>11,298</b>	<b>26,828</b>

# COMPARATIVE STATEMENTS OF OPERATIONS



Unaudited  
(\$000's omitted)

	Three Months Ended		Three Months Ended	Six Months Ended
	<u>Jun-01</u>	<u>Jun-00</u>	<u>Mar-01</u>	<u>Jun-01</u>
<b>Ratios</b>				
MG&A to Real Estate Revenue, net	6.02%	6.09%	5.59%	5.81%
MG&A to Total Revenue, net	5.52%	5.65%	5.29%	5.41%
Operating Expense to Real Estate Revenue, net	23.13%	25.67%	24.96%	24.06%
EBITDA to Real Estate Revenue, net	63.58%	58.81%	59.18%	61.34%
EBITDA before Ground Rent to Real Estate Revenue, net	68.77%	64.84%	64.16%	66.42%

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

**Per share data:**

Income available for common shares	15,530	12,988	11,298	26,828
Net income per share (basic)	0.63	0.53	0.46	1.09
Net income per share (diluted)	0.60	0.53	0.46	1.06
Book/Tax Depreciation Adjustment	1,985	336	1,815	3,800
Book/Tax Gain Recognition Adjustment	998	(1,269)	686	1,684
Other Operating Adjustments	(3,809)	(4,117)	(3,483)	(7,292)
C-corp Earnings	658	-	270	928
<b>Taxable Income</b>	15,362	7,938	10,586	25,948
Dividend per share	0.3875	0.3625	0.3875	0.3875
Estimated payout of taxable income	62%	126%	101%	76%
Basic weighted average common shares	24,706	24,309	24,639	24,706
Diluted weighted average common shares and common share equivalents outstanding	32,183	31,744	27,403	32,170

**Payout of Taxable Income Analysis:**

Estimated taxable income is derived from net income less straightline rent, free rent net of amortization of free rent, plus tax gain on sale of properties, credit loss, straightline ground rent and the difference between tax and GAAP depreciation. The Company has deferred the taxable gain on the sales 29 West 35th Street, 17 Battery Place South, and 1412 Broadway through 1031 exchanges.



# JOINT VENTURE STATEMENTS

Balance sheet for unconsolidated joint ventures

Unaudited

(000's omitted)



	June 30, 2001		June 30, 2000	
	<u>Total Property</u>	<u>SLG Property Interest</u>	<u>Total Property</u>	<u>SLG Property Interest</u>
Land & land interests	127,058	63,582	69,468	32,774
Buildings & improvements	530,647	267,291	287,017	135,186
	657,705	330,873	356,485	167,960
Less accumulated depreciation	(10,886)	(5,261)	(4,199)	(1,973)
Net Real Estate	646,819	325,612	352,286	165,988
Cash and cash equivalents	7,227	3,627	7,071	3,287
Restricted cash	22,793	11,097	8,043	3,706
Tenant receivables, net of \$165 reserve	2,809	1,360	1,342	638
Deferred rents receivable, net of reserve for tenant credit loss of \$327 at 6/30/01	4,961	2,378	2,569	1,192
Deferred costs, net	6,507	3,257	6,344	2,898
Other assets	5,040	2,554	2,652	2,442
<b>Total Assets</b>	<b>696,156</b>	<b>349,886</b>	<b>380,307</b>	<b>180,151</b>
Mortgage loan payable	429,748	213,452	230,650	107,048
Accrued interest payable	2,183	1,065	1,557	744
Accounts payable and accrued expenses	13,283	8,646	7,212	3,370
Security deposits	6,282	2,984	5,087	2,317
Contributed Capital (1)	244,660	123,739	135,801	66,672
		references page 11		
<b>Total Liabilities and Equity</b>	<b>696,156</b>	<b>349,886</b>	<b>380,307</b>	<b>180,151</b>

As of June 30, 2001 the Company has six joint venture interests representing a 50% interest in 180 Madison Avenue, acquired in December 2000, a 50% interest in 1250 Broadway, acquired in August 1999, a 50% interest in 100 Park Avenue, acquired in February 2000, a 35% interest in 321 West 44th Street, contributed May 2000, a 35% interest in 469 Seventh Avenue acquired in January 2001, and a 55% interest in 1 Park Avenue contributed in June 2001. These interests are accounted for on the equity method of accounting and, therefore, are not consolidated into the company's financial statements.

(1) This analysis excludes certain residual interests in the entity that held 90 Broad Street (sold November 2000)

# JOINT VENTURE STATEMENTS

Statements of operations for unconsolidated joint ventures

Unaudited

(000's omitted)



	Three Months Ended June 30, 2001			Three Months Ended June 30, 2000		
	Total Property	SLG Property Interest	SLG Subsidiary	Total Property	SLG Property Interest	SLG Subsidiary
<b>Revenues</b>						
Rental Revenue, net	16,931	8,327		12,542	5,943	
Free rent	95	41		657	285	
Amortization of free rent	(75)	(35)		(65)	(29)	
Net free rent	20	6		592	256	
Straight-line rent	803	374		690	324	
Allowance for S/L tenant credit loss	(157)	(74)		(192)	(87)	
Escalation and reimbursement revenues	2,911	1,387		1,442	639	
Investment income	177	83		91	44	
Other income	27	13		2	2	
<b>Total Revenues, net</b>	<b>20,712</b>	<b>10,116</b>		<b>15,167</b>	<b>7,121</b>	
<b>Expenses</b>						
Operating expenses	5,015	2,441		3,816	1,760	
Real estate taxes	3,320	1,618		2,653	1,286	
<b>Total Operating Expenses</b>	<b>8,335</b>	<b>4,059</b>		<b>6,469</b>	<b>3,046</b>	
	-					
<b>GAAP NOI</b>	<b>12,532</b>	<b>6,131</b>		<b>8,890</b>	<b>4,161</b>	
<b>Cash NOI</b>	<b>11,710</b>	<b>5,751</b>		<b>7,608</b>	<b>3,582</b>	
Interest	6,040	2,892		4,874	2,287	
Depreciation and amortization	2,920	1,409		2,149	1,006	
<b>Net Income (1)</b>	<b>3,415</b>	<b>1,756</b>	references page 13	<b>1,675</b>	<b>782</b>	
Plus: Real Estate Depreciation	2,658	1,358	references page 18	1,943	917	
Plus: Extraordinary Loss	-	-		-	-	
Plus: Management & Leasing Fees	-	-	25	-	-	44
<b>Funds From Operations</b>	<b>6,073</b>	<b>3,114</b>		<b>3,618</b>	<b>1,699</b>	
<b>FAD Adjustments:</b>						
Plus: Non Real Estate Depreciation	262	120		206	88	
Plus: 2% Allowance for S/L Tenant Credit Loss	157	74		192	87	
Less: Free and S/L Rent	(822)	(381)		(1,282)	(580)	
Less: Second Cycle Tenant Improvement, Leasing Commissions & Recurring Capex	(2,989)	(1,576)		(255)	(89)	
	(3,393)	(1,763)		(1,139)	(494)	
Operating Expense to Real Estate Revenue, net	24.27%	24.18%		25.00%	24.57%	
GAAP NOI to Real Estate Revenue, net	60.65%	60.73%		58.24%	58.11%	
Cash NOI to Real Estate Revenue, net	56.67%	56.96%		49.84%	50.01%	

# CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY



(\$000's omitted)

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Retained Earnings / (Distributions In Excess of Earnings)</u>	<u>Deferred Compensation Plan / Officers' Loan</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>TOTAL</u>
Balance at December 31, 1998	240	416,939	(8,559)	(3,794)		404,826
Balance at December 31, 1999	242	421,958	(9,422)	(6,674)	-	406,104
Net Income			86,217			86,217
Preferred dividend and accretion			(9,626)			(9,626)
Deferred compensation plan		253		6		259
Exercise of employee stock options	3	4,359				4,362
Cash distributions declared (\$1.475 per common share)			(36,003)			(36,003)
Redemption of operating partnership units	1	2,128				2,129
Amortization of officers' loan and deferred compensation				1,631		1,631
<b>Balance at December 31, 2000</b>	<b>246</b>	<b>428,698</b>	<b>31,166</b>	<b>(5,037)</b>	<b>-</b>	<b>455,073</b>
Net Income			31,657			31,657
Cumulative Effect of Accounting Change					(811)	(811)
Preferred dividend and accretion			(4,829)			(4,829)
Deferred compensation plan	1	3,704		(4,733)		(1,028)
Exercise of employee stock options	2	3,363				3,365
Cash distributions declared (\$0.775 per common share)			(19,207)			(19,207)
Redemption of operating partnership units		497				497
Comprehensive Income - Unrealized loss of derivative instruments					(1,085)	(1,085)
Amortization of officers' loan and deferred compensation				698		698
<b>Balance at June 30, 2001 (Unaudited)</b>	<b>249</b>	<b>436,262</b>	<b>38,787</b>	<b>(9,072)</b>	<b>(1,896)</b>	<b>464,330</b>

## RECONCILIATION OF SHARES AND UNITS OUTSTANDING, AND DILUTION COMPUTATION

	<u>Common Stock</u>	<u>OP Units</u>	<u>Basic Shares</u>	<u>Dilution Factor</u>	<u>Diluted Shares</u>
Balance at December 31, 1998	23,951,826	2,428,056	26,379,882		26,379,882
Balance at December 31, 1999	24,184,217	2,428,056	26,612,273		26,612,273
Balance at December 31, 2000	24,515,994	2,307,515	26,823,509	4,994,943	31,818,452
Option/OP Units Converted	192,739	(26,492)	166,247	(28,473)	137,774
Deferred Compensation Program	150,500		150,500	(116,648)	33,852
Unexercised Option Share Equivalents				475,806	475,806
Preferred Stock "If Converted" Method to common stock				4,698,900	4,698,900
<b>Balance at June 30, 2001 (Unaudited)</b>	<b>24,859,233</b>	<b>2,281,023</b>	<b>27,140,256</b>	<b>5,029,585</b>	<b>32,169,841</b>

# COMPARATIVE COMPUTATION OF FFO AND FAD

Unaudited

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



	Three Months Ended June 30			Three Months Ended Mar 31		Three Months Ended Dec 31	
	2001	2000	% Change	2001	% Change	2000	% Change
<b>Funds from operations</b>							
Net Income before Minority Interests	16,348	12,344	32%	13,909	18%	14,571	12%
Add:							
Depreciation and Amortization	9,189	8,403	9%	9,720	-5%	7,992	15%
FFO adjustment for Joint Ventures	1,358	917	48%	996	36%	788	72%
Less:							
Dividends on Preferred Shares	2,300	2,300	0%	2,300	0%	2,300	0%
Non Real Estate Depreciation/Amortization of Finance Costs	1,157	1,040	11%	1,155	0%	998	16%
<b>Funds From Operations - Basic</b>	<b>23,438</b>	<b>18,324</b>	<b>28%</b>	<b>21,170</b>	<b>11%</b>	<b>20,053</b>	<b>17%</b>
<b>Funds From Operations - Basic per Share</b>	<b>0.87</b>	<b>0.69</b>	<b>26%</b>	<b>0.79</b>	<b>10%</b>	<b>0.73</b>	<b>19%</b>
Add:							
Dividends on Preferred Shares	2,300	2,300	0%	2,300		2,300	0%
<b>Funds From Operations - Diluted</b>	<b>25,738</b>	<b>20,624</b>	<b>25%</b>	<b>23,470</b>		<b>22,353</b>	<b>5%</b>
<b>Funds From Operations - Diluted per Share</b>	<b>0.80</b>	<b>0.65</b>	<b>23%</b>	<b>0.73</b>	<b>9%</b>	<b>0.70</b>	<b>14%</b>
<b>Funds Available for Distribution</b>							
FFO (1)	25,738	18,324	40%	21,170	22%	20,053	28%
Add:							
Non Real Estate Depreciation	1,157	1,040	11%	1,155	0%	998	16%
2% Allowance for S/L Tenant Credit Loss	458	240	91%	649	-29%	182	152%
Straight-line Ground Rent	354	441	-20%	354	0%	354	0%
Non-cash Deferred Compensation	350	386	-9%	349	0%	903	-61%
FAD adjustment for Joint Ventures & Emerge	(1,731)	(494)	250%	(739)	134%	(371)	366%
Less:							
Straight-line Rental Income	2,335	2,356	-1%	2,551	-8%	2,171	8%
Free Rent - Occupied (Net of Amortization, incl. First Cycle)	320	1,554	-79%	1,110	-71%	25	1180%
Amortization of Mortgage Investment Discount	(5,608)	1,107	-607%	759	-839%	1,119	-601%
Second Cycle Tenant Improvement & Leasing Commission on Existing Space	1,799	3,289	-45%	3,558	-49%	3,315	-46%
Recurring Building Improvements	481	546	-12%	327	47%	905	-47%
<b>Funds Available for Distribution</b>	<b>26,999</b>	<b>11,085</b>	<b>144%</b>	<b>14,632</b>	<b>85%</b>	<b>14,584</b>	<b>85%</b>
Diluted per Share	0.84	0.41	107%	0.53	58%	0.53	57%
First Cycle Leasing Costs							
Tenant Improvement & Leasing Commissions	14	4,206	-100%	539	-97%	439	-97%
<b>Funds Available for Distribution after First Cycle Leasing Costs</b>	<b>26,985</b>	<b>6,880</b>	<b>292%</b>	<b>14,093</b>	<b>91%</b>	<b>14,145</b>	<b>91%</b>
Funds Available for Distribution per Diluted Weighted Average Unit and Common Share	0.98	0.25	290%	0.52	89%	0.52	90%
Redevelopment Costs	2,225	3,254	-32%	2,789	-20%	6,995	-68%
<b>Payout Ratio of Funds From Operations</b>	<b>48.43%</b>	<b>55.80%</b>	<b>-13%</b>	<b>53.00%</b>	<b>-9%</b>	<b>55.47%</b>	<b>-13%</b>
<b>Payout Ratio of Funds Available for Distribution Before First Cycle</b>	<b>46.17%</b>	<b>88.44%</b>	<b>-48%</b>	<b>72.57%</b>	<b>-36%</b>	<b>72.53%</b>	<b>-36%</b>

(1) For the calculation of funds available for distribution, the FFO Diluted was used for 2Q01.

# SELECTED FINANCIAL DATA

## Capitalization Analysis

Unaudited

(\$000's omitted)



	June 30, <u>2001</u>	2000	March 31, <u>2001</u>	December 31, <u>2000</u>
<b>Market Capitalization</b>				
Common Equity:				
Common Shares Outstanding	24,859	24,373	24,705	24,516
OP Units Outstanding	2,281	2,389	2,283	2,308
<b>Total Common Equity (Shares and Units)</b>	<b>27,140</b>	<b>26,762</b>	<b>26,988</b>	<b>26,824</b>
Share Price at (End of Period)	30.31	26.73	27.45	28.00
Equity Market Value	822,621	715,476	740,821	751,058
Preferred Equity at Liquidation Value:	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>	<b>115,000</b>
<b>Real Estate Debt</b>				
Property Level Mortgage Debt	325,411	346,294	528,535	414,342
Company's portion of Joint Venture Mortgages	213,452	107,048	128,408	115,808
Outstanding Balance on – Secured Credit Line	45,238	42,752	44,926	23,374
Outstanding Balance on – Unsecured Credit Line	238,000	103,000	167,000	23,000
<b>Total Combined Debt</b>	<b>822,102</b>	<b>599,094</b>	<b>868,869</b>	<b>576,524</b>
<b>Total Market Cap (Debt &amp; Equity)</b>	<b>1,759,723</b>	<b>1,429,570</b>	<b>1,724,690</b>	<b>1,442,582</b>
<b>Lines of Credit Availability</b>				
Senior Unsecured Line of Credit				
Maximum Line Available	300,000	250,000	300,000	250,000
Letters of Credit issued	5,000	-	5,000	21,000
Outstanding Balance	238,000	103,000	167,000	23,000
Net Line Availability	57,000	147,000	128,000	206,000
Secured Line of Credit				
Maximum Line Available	60,000	50,000	60,000	60,000
Outstanding Balance	45,238	42,752	44,926	23,374
Prudential Line Availability	14,762	7,248	15,074	36,626
Total Availability under Lines of Credit	71,762	154,248	143,074	242,626
<b>Ratio Analysis</b>				
Consolidated Basis				
Debt to Market Cap Ratio	39.36%	37.21%	46.39%	34.72%
Debt to Gross Real Estate Book Ratio (1)	58.31%	49.16%	59.23%	48.89%
Secured Real Estate Debt to Secured Assets Gross Book (1)	68.37%	57.90%	75.98%	66.06%
Unsecured Debt to Unencumbered Assets-Gross Book Value (1)	62.74%	34.40%	46.18%	8.65%
Secured Non Real Estate Debt to Secured Assets Book (1)	41.95%	49.16%	48.32%	45.57%
Joint Ventures Allocated				
Combined Debt to Market Cap Ratio	46.72%	41.91%	50.38%	39.96%
Debt to Gross Real Estate Book Ratio (1)	60.10%	51.42%	60.23%	51.58%
Secured Debt to Secured Assets Gross Book (1)	67.15%	59.18%	73.87%	65.85%
Unsecured Debt to Unencumbered Assets-Gross Book Value (1)	62.74%	34.40%	46.18%	8.65%
Secured Line of Credit to Structured Finance Assets (1)	41.95%	49.16%	48.32%	45.57%

(1) Excludes property under capital lease

## SELECTED FINANCIAL DATA

Property NOI and Coverage Ratios  
Unaudited  
(\$000's omitted)



	Three Months Ended June 30				Three Months Ended March 31		
	2001	2000	+/-	% Change	2001	+/-	% Change
<b>Funds from operations</b>	23,438	18,324	5,114	28%	21,170	2,268	11%
Less: Non – Building Revenue	6,195	5,346	849	16%	4,262	1,933	45%
Plus: 2% Reserve for Tenant Credit Loss	458	240	218	91%	649	(191)	-29%
Interest Expense (incl. Capital Lease Int.)	13,171	10,053	3,118	31%	13,897	(726)	-5%
Non Real Estate Depreciation	1,157	1,040	117	11%	1,155	2	0%
MG&A Expense	3,668	3,190	478	15%	3,547	121	3%
Preferred Dividend	2,300	2,300	-	0%	2,300	-	0%
<b>GAAP NOI</b>	<b>37,997</b>	<b>29,801</b>	<b>8,196</b>	<b>28%</b>	<b>38,456</b>	<b>(459)</b>	<b>-1%</b>
<b>Cash adjustments</b>							
Less: Free Rent (Net of Amortization)	320	1,554	(1,234)	-79%	1,110	(790)	-71%
Straightline Revenue Adjustment	2,335	2,356	(21)	-1%	2,551	(216)	-8%
Plus: Ground Lease Straight-line Adjustment	354	441	(87)	-20%	354	-	0%
<b>Cash NOI</b>	<b>35,696</b>	<b>26,332</b>	<b>9,364</b>	<b>36%</b>	<b>35,149</b>	<b>547</b>	<b>2%</b>
Real Estate Revenue, net	61,338	52,614	8,725	17%	64,060	(2,722)	-4%
<b>Operating margins</b>							
GAAP NOI/Real Estate Revenue, net	61.95%	56.64%			60.03%		
Cash NOI/Real Estate Revenue, net	58.20%	50.05%			54.87%		
GAAP NOI before Ground Rent/Real Estate Revenue, net	72.25%	68.65%			65.00%		
Cash NOI before Ground Rent/Real Estate Revenue, net	67.92%	61.22%			59.28%		
<b>Components of debt and fixed charges</b>							
Interest on Fixed Rate Loans	6,876	4,063	2,813	69%	6,762	114	2%
Interest on Floating Rate Loans	6,295	5,990	305	5%	7,135	(841)	-12%
Fixed Amortization Principal Payments	1,004	885	119	13%	1,087	(83)	-8%
<b>Total Debt Service</b>	<b>14,175</b>	<b>10,938</b>	<b>3,237</b>	<b>30%</b>	<b>14,985</b>	<b>(810)</b>	<b>-5%</b>
Payments under Ground Lease Arrangements	2,805	2,769	36	1%	2,805	-	0%
Preferred Stock Dividend	2,300	2,300	-	0%	2,300	-	0%
<b>Total Fixed Charges</b>	<b>19,280</b>	<b>16,007</b>	<b>3,273</b>	<b>20%</b>	<b>20,090</b>	<b>(810)</b>	<b>-4%</b>
Adjusted EBITDA	41,379	31,692					
Interest Coverage Ratio	3.14	3.16			2.81		
Debt Service Coverage ratio	2.92	2.90			2.60		
Fixed Charge Coverage ratio	2.15	1.98			1.94		



## SELECTED FINANCIAL DATA

2001 Same Store  
Unaudited  
(\$000's omitted)



	Three Months Ended June 30				Three Months Ended March 31		
	2001	2000	+/-	% Change	2001	+/-	% Change
<b>Revenues</b>							
Rental Revenue	44,483	42,662	1,821	4%	44,885	(402)	-1%
Credit Loss	(290)	(232)	(58)	25%	(390)	100	-26%
Signage Rent	179	597	(418)	-70%	350	(171)	-49%
Escalation & Reimbursement Revenues	6,327	4,877	1,450	30%	6,784	(457)	-7%
Investment & Other Income	384	333	51	15%	281	103	37%
<b>Total Revenues</b>	<b>51,083</b>	<b>48,237</b>	<b>2,846</b>	<b>6%</b>	<b>51,910</b>	<b>(827)</b>	<b>-2%</b>
<b>Expenses</b>							
Operating Expense	11,639	11,129	510	5%	12,488	(849)	-7%
Ground Rent	3,159	3,159	-	0%	3,159	-	0%
Real Estate Taxes	6,536	6,507	29	0%	6,545	(9)	0%
<b>Total Operating Expenses</b>	<b>21,334</b>	<b>20,795</b>	<b>539</b>	<b>3%</b>	<b>22,192</b>	<b>(858)</b>	<b>-4%</b>
<b>EBITDA</b>	<b>29,749</b>	<b>27,442</b>	<b>2,307</b>	<b>8%</b>	<b>29,718</b>	<b>31</b>	<b>0%</b>
Interest	7,945	7,017	928	13%	7,929	16	0%
Depreciation & Amortization	6,516	7,022	(506)	-7%	6,772	(256)	-4%
Income Before Minority Interest	15,288	13,403	1,885	14%	15,017	271	2%
Plus: Real Estate Depreciation & Amortization	6,295	6,575	(280)	-4%	6,533	(238)	-4%
<b>FFO</b>	<b>21,583</b>	<b>19,978</b>	<b>1,605</b>	<b>8%</b>	<b>21,550</b>	<b>33</b>	<b>0%</b>
Less: Non – Building Revenue	300	273	27	10%	186	114	61%
Plus: 2% Reserve for Tenant Credit Loss	290	232	58	25%	390	(100)	-26%
Interest Expense	7,945	7,017	928	13%	7,929	16	0%
Non Real Estate Depreciation	220	448	(228)	-51%	239	(19)	-8%
<b>GAAP NOI</b>	<b>29,738</b>	<b>27,402</b>	<b>2,336</b>	<b>9%</b>	<b>29,922</b>	<b>(184)</b>	<b>-1%</b>
<b>Cash Adjustments</b>							
Less: Free Rent (Net of Amortization)	437	1,737	(1,300)	-75%	326	111	34%
Straightline Revenue Adjustment	1,702	2,166	(464)	-21%	1,884	(182)	-10%
Plus: Ground Lease Straight-line Adjustment	354	441	(87)	-20%	354	-	0%
<b>Cash NOI</b>	<b>27,953</b>	<b>23,940</b>	<b>4,013</b>	<b>17%</b>	<b>28,066</b>	<b>(113)</b>	<b>0%</b>
<b>Operating Margins</b>							
GAAP NOI to Real Estate Revenue, net	58.23%	56.86%			57.42%		
Cash NOI to Real Estate Revenue, net	54.73%	49.67%			53.86%		
GAAP NOI before Ground Rent/Real Estate Revenue, net	64.41%	63.41%			63.48%		
Cash NOI before Ground Rent/Real Estate Revenue, net	60.22%	55.31%			59.24%		

## DEBT SUMMARY SCHEDULE

Unaudited  
(\$000's omitted)



	Principal O/S 6/30/2001	Coupon	2001 Annual Payment	2001 Principal Repayment	Maturity Date	Due at Maturity	Earliest Contractual Prepayment Date
<b>Fixed rate secured debt</b>							
Property							
673 First Avenue	10,517	9.00%	3,985	3,014	12/13/2003	2,000	Open
470 Park Avenue South	9,568	8.25%	1,207	416	4/1/2004	8,285	Open
50 West 23rd Street	21,000	7.33%	1,539	-	8/1/2007	19,234	Aug-01
CIBC (against 1414 Ave. of Americas and 70 W. 36th St.)	26,177	7.90%	2,223	178	5/1/2009	12,196	Apr-03
711 Third Avenue	48,996	8.13%	4,388	406	9/10/2005	22,825	Jun-04
555 West 57th Street (Libor collar of 6.10% - 6.58% + 200bps)	69,268	8.10%	-	676	11/1/2004	66,959	Open
420 Lexington Avenue	125,000	8.44%	10,694	255	11/1/2010	104,406	Open
875 Bridgeport Avenue, CT (1031 exchange asset)	14,885	8.32%	1,272	34	5/10/2025	5,466	Open
<b>Total Fixed Rate Secured Debt</b>	<b>325,411</b>	<b>8.21% wtd avg</b>	<b>25,307</b>	<b>4,979</b>			
<b>Floating rate secured debt</b>							
Prudential Line of Credit (Libor + 125bps)	45,238	5.77%	-	-	12/22/2001	45,238	Open
<b>Total Floating Rate Secured Debt</b>	<b>45,238</b>	<b>5.77% wtd avg</b>					
<b>Unsecured floating rate debt</b>							
Senior Unsecured Line of Credit (Libor + 150 bps)	238,000	6.09%	-	-	6/27/2003	238,000	Open
<b>Total Floating Rate Unsecured Debt</b>	<b>238,000</b>	<b>6.09% wtd avg</b>					
<b>Total Floating Rate Debt Outstanding</b>	<b>283,238</b>	<b>6.04% wtd avg</b>					
<b>Total Debt</b>	<b>608,649</b>	<b>7.20% wtd avg</b>					
<b>Weighted Average Balance &amp; Interest Rate</b>	<b>687,141</b>	<b>7.19%</b>					

## SUMMARY OF JOINT VENTURE DEBT

	Principal O/S							
	Gross Principal	SLG Share						
<b>JOINT VENTURE DEBT</b>								
180 Madison JV	32,000	15,968	7.81%	2,499	-	12/1/2005	30,778	Open
469 Seventh Avenue (Libor + 225 bp)	36,000	12,600	6.11%	-	-	2/1/2003	12,600	Open
1250 Broadway JV (Libor + 300bps)	69,748	34,804	7.43%	-	-	8/30/2002	34,804	Open
321 W 44th JV (Libor + 250bps)	22,000	7,700	6.56%	-	-	4/30/2003	7,700	Open
1 Park Avenue (Libor + 150 bps)	150,000	82,500	5.11%	-	-	1/10/2004	82,500	Open
100 Park Avenue JV	120,000	59,880	8.00%	9,733	187	9/1/2010	107,488	Open
<b>Total Joint Venture Debt</b>	<b>429,748</b>	<b>213,452</b>	<b>6.61%</b>	<b>12,232</b>	<b>187</b>			
<b>Weighted Average Balance &amp; Interest Rate with SLG JV debt</b>	<b>843,401</b>	<b>7.21%</b>						

## SUMMARY OF GROUND LEASE ARRANGEMENTS

Consolidated Statement (REIT)

(\$000's omitted)



<u>Property</u>	<u>2001 Scheduled Cash Payment (000's)</u>	<u>2002 Scheduled Cash Payment (000's)</u>	<u>2003 Scheduled Cash Payment (000's)</u>	<u>2004 Scheduled Cash Payment (000's)</u>	<u>Deferred Land Lease Obligations (1)</u>	<u>Year of Maturity</u>
<b>Operating Leases</b>						
673 1st Avenue	3,010	3,010	3,010	3,010	11,873	2037
1140 Avenue of Americas (2)	348	348	348	348		2016 (3)
420 Lexington (2)	7,074	7,074	7,074	7,074		2008 (4)
711 3rd Avenue (2) (5)	1,163	1,550	1,550	1,550	1,639	2032
<b>Total</b>	<b>11,595</b>	<b>11,982</b>	<b>11,982</b>	<b>11,982</b>	<b>13,512</b>	
<b>Capitalized Lease</b>						
673 1st Avenue	1,290	1,290	1,290	1,290	15,369	2037

(1) Per the balance sheet at June 30, 2001.

(2) These ground leases are classified as operating leases and, therefore, do not appear on the balance sheet as an obligation.

(3) The Company has a unilateral option to extend the ground lease for an additional 50 years, to 2066.

(4) Subject to renewal at the Company's option through 2029.

(5) Excludes portion payable to SL Green as owner of 50% leasehold.

## SELECTED PROPERTY DATA



Properties	Submarket	Ownership	Rentable Sq. Feet	% of Total Sq. Feet	Percent Occupied				Annualized Rent (\$'s)	Annualized Rent as % of Wholly Owned	Annualized Rent as % of SLG Interests	Number of Tenants
					6/30/2001	3/31/2001	12/31/2000	9/30/2000				
<b>PROPERTIES 100% OWNED</b>												
<b>"Same Store"</b>												
673 First Avenue	Grand Central South	Leasehold Interest	422,000	4	100	100	100	100	12,757,440	7	5	14
470 Park Avenue South	Park Avenue South/ Flatiron	Fee Interest	260,000	3	99	99	99	99	7,020,522	4	3	27
70 W. 36th Street	Garment	Fee Interest	151,000	1	96	98	96	98	3,466,069	2	1	33
1414 Avenue of the Americas	Rockefeller Center	Fee Interest	111,000	1	98	97	99	100	4,026,719	2	2	27
1372 Broadway	Garment	Fee Interest	508,000	5	99	99	99	99	13,731,033	7	6	27
1140 A of A	Rockefeller Center	Leasehold Interest	191,000	2	100	100	100	100	6,836,352	4	3	26
50 W. 23rd Street	Chelsea	Fee Interest	333,000	3	99	99	99	99	7,486,318	4	3	17
110 East 42nd Street	Grand Central	Fee Interest	251,000	2	100	100	100	99	8,006,856	4	3	31
1466 Broadway	Times Square	Fee Interest	289,000	3	81	83	84	92	8,338,968	4	4	90
420 Lexington Ave (Graybar)	Grand Central North	Operating Sublease	1,188,000	12	99	99	100	99	38,638,701	20	16	240
440 Ninth Avenue	Garment	Fee Interest	339,000	3	99	98	94	94	8,495,221	4	4	15
711 Third Avenue	Grand Central North	Operating Sublease (1)	524,000	5	100	100	100	100	17,793,985	9	8	22
555 West 57th	Midtown West	Fee Interest	941,000	9	100	100	100	100	19,554,580	10	8	24
286 Madison Avenue	Grand Central South	Fee Interest	112,000	1	100	98	98	99	2,965,914	2	1	39
290 Madison Avenue	Grand Central South	Fee Interest	36,800	0	100	100	100	100	1,270,341	1	1	4
292 Madison Avenue	Grand Central South	Fee Interest	187,000	2	100	100	100	95	6,619,488	3	3	19
<b>Subtotal / Weighted Average</b>			<b>5,843,800</b>	<b>58</b>	<b>99</b>	<b>98</b>	<b>98</b>	<b>99</b>	<b>167,008,507</b>	<b>87</b>	<b>71</b>	<b>655</b>
<b>2001 Acquisitions</b>												
317 Madison	Grand Central	Fee Interest	450,000	4	96	-	-	-	11,884,576	6	5	103
1370 Broadway	Garment	Fee Interest	255,000	3	99	99	-	-	6,766,014	4	3	30
<b>Subtotal / Weighted Average</b>			<b>705,000</b>	<b>7</b>	<b>97</b>	<b>99</b>			<b>18,650,590</b>	<b>10</b>	<b>8</b>	<b>133</b>
<b>2001 Adjustments</b>												
17 Battery Place - North	World Trade/ Battery	Fee Interest	419,000	4	100	100	100	97	4,969,659	3	2	7
<b>Total/ Weighted Average Properties 100% Owned</b>			<b>6,967,800</b>	<b>69</b>	<b>99</b>	<b>99</b>	<b>99</b>	<b>98</b>	<b>190,628,756</b>	<b>100</b>	<b>81</b>	<b>795</b>
<b>PROPERTIES &lt;100% OWNED</b>												
<b>Unconsolidated</b>												
180 Madison Avenue - 50%	Grand Central South	Fee Interest	265,000	3	90	89	87	-	5,573,910		1	57
1 Park Avenue - 55%	Grand Central South	Various Interests	913,000	9	97	97	-	-	32,169,436		7	15
469 Seventh Avenue - 35%	Penn Station	Fee Interest	253,000	3	90	90	90	-	5,795,145		1	17
1250 Broadway - 50%	Penn Station	Fee Interest	670,000	7	100	100	100	99	16,232,655		3	28
100 Park Avenue - 50%	Grand Central South	Fee Interest	834,000	8	100	100	100	99	28,432,322		6	37
321 West 44th Street -35%	Times Square	Fee Interest	203,000	2	96	96	97	98	3,531,826		1	27
<b>Subtotal / Weighted Average</b>			<b>3,138,000</b>	<b>31</b>	<b>97</b>	<b>97</b>	<b>69</b>	<b>65</b>	<b>91,735,294</b>		<b>19</b>	<b>181</b>
<b>Grand Total/ Weighted Average</b>			<b>10,105,800</b>	<b>100</b>	<b>98</b>	<b>98</b>	<b>89</b>	<b>88</b>	<b>282,364,050</b>			<b>976</b>
<b>Grand Total - SLG share of Annualized Rent</b>									<b>236,655,590</b>	<b>100</b>		

(1) Including Ownership of 50% in Building Fee

## LARGEST TENANTS BY SQUARE FEET LEASED



<u>Tenant</u>	<u>Property</u>	<u>Lease Expiration</u>	<u>Total Leased Square Feet</u>	<u>% of Wholly Owned Leased Square Feet</u>	<u>% of Wholly Owned Annualized Rent</u>	<u>Annualized Rent (\$)</u>	<u>SLG Share of Annualized Rent (\$)</u>	<u>% of Aggregate SLG Share of Annualized Rent</u>	
<b>Wholly Owned</b>									
The City of New York	17 Battery Place	2012	269,867	3.90	2.76	5,252,052	5,252,052	2.22	
BMW of Manhattan, Inc.	555 West 57th Street	2012	227,782	3.29	1.47	2,806,224	2,806,224	1.19	
City University of New York-CUNY	555 West 57th Street	2010 & 2015	147,261	2.13	1.88	3,584,496	3,584,496	1.51	
Metro North Commuter Railroad Co.	420 Lexington Avenue	2008 & 2016	134,687	1.94	2.00	3,805,932	3,805,932	1.61	
St. Luke's Roosevelt Hospital	555 West 57th Street	2014	133,700	1.93	1.57	2,993,196	2,993,196	1.26	
C.B.S., Inc.	555 West 57th Street	2003 & 2010	127,320	1.84	1.26	2,396,016	2,396,016	1.01	
Ross Stores	1372 Broadway	2010	101,741	1.47	1.36	2,586,420	2,477,412	1.05	
New York Presbyterian Hospital	555 West 57th Street & 673 First Avenue	2006 & 2009	99,650	1.44	1.30	2,483,376	2,455,577	1.04	
Ann Taylor Inc.	1372 Broadway	2010	93,020	1.34	1.23	2,348,340	2,348,340	0.99	
Crain Communications Inc.	711 Third Avenue	2009	90,531	1.31	1.60	3,044,724	3,044,724	1.29	
Parade Publications, Inc.	711 Third Avenue	2010	82,444	1.19	1.06	2,011,872	2,011,872	0.85	
Ketchum, Inc.	711 Third Avenue	2015	81,248	1.17	1.71	3,259,488	3,259,488	1.38	
UNICEF	673 First Avenue	2003 & 2012	81,100	1.17	1.39	2,649,132	2,649,132	1.12	
Kallir, Phillips, Ross Inc.	673 First Avenue	2004	80,000	1.16	1.28	2,442,228	2,442,228	1.03	
New York Life Insurance Company	420 Lexington Avenue	2010	75,373	1.09	1.34	2,549,232	2,549,232	1.08	
Greater New York Hospital	555 West 57th Street	2014	74,937	1.08	1.18	2,249,304	2,249,304	0.95	
Gibbs & Cox Inc.	50 West 23rd Street	2005	69,782	1.01	0.97	1,853,148	1,853,148	0.78	
Cipriani 42nd Street, LLC	110 East 42nd Street	2008	69,703	1.01	1.44	2,744,712	2,744,712	1.16	
Young & Rubicam, Inc.	290 & 292 Madison Avenue	2015	67,097	0.97	1.25	2,378,760	2,378,760	1.01	
Capital Mercury	1372 Broadway	2005	64,122	0.93	0.74	1,410,684	1,410,684	0.60	
Secretary of Board of Education	50 W. 23rd Street	2010	6,400	0.09	0.46	869,148	869,148	0.37	
Newport News	711 Third Avenue	2011	61,327	0.89	0.97	1,852,692	1,852,692	0.78	
Vollmer	50 W. 23rd Street	2005	53,577	0.77	0.81	1,544,688	1,544,688	0.65	
Rosenthal & Rosenthal	1370 Broadway	2012	52,938	0.76	0.83	1,591,080	1,591,080	0.67	
<b>TOTAL</b>			<b>2,345,607</b>	<b>34</b>	<b>32</b>	<b>190,628,756</b>			
<b>Wholly Owned Portfolio - leased</b>			<b>6,925,118</b>						
<b>Joint Venture Properties (1)</b>									
The City of New York (if combined)	1250 Broadway & 17 Battery Place	2012	317,867			6,343,248	5,792,966	2.99	
Loews Corp.	1 Park Avenue	2002	155,765			6,868,862	3,777,874	1.60	
Philip Morris Management Corporation	100 Park Avenue	2007	175,645			6,412,488	3,199,832	1.37	
Visiting Nurse Service of NY	1250 Broadway	2006	171,078			3,630,468	1,811,604	0.79	
J&W Seligman & Co., Inc.	100 Park Avenue	2009	168,390			5,117,604	2,553,684	1.23	
The Segal Company (Eastern States) Inc.	1 Park Avenue	2009	150,000			5,466,792	3,006,736	1.27	
CHF Industries	1 Park Avenue	2005	100,000			3,342,422	1,838,332	0.78	
Coty Inc.	1 Park Avenue	2015	100,000			3,514,170	1,932,794	0.82	
Information Builders Inc	1250 Broadway	2003	88,571			2,115,708	1,055,738	0.45	
MCI International ( if combined)	100 Park Avenue & 17 Battery Place	2001 & 2004	83,751			2,523,456	3,777,112	0.76	
Advanstar Communications	1 Park Avenue	2010	83,000			2,870,365	1,578,701	0.67	
Mt. Sinai Hospital/NYU Hospital Center	1 Park Avenue	2010	80,000			2,802,676	1,541,472	0.65	
Interp National Radio Sales	100 Park Avenue	2005	66,866			2,144,280	1,069,996	0.51	
<b>TOTAL</b>			<b>1,740,933</b>				<b>93,506,976</b>		
<b>Wholly Owned Portfolio + Allocated JV Properties</b>							<b>236,655,590</b>		

(1) Consolidates SLG's pro-rata interest in the Annualized Rent of all joint ventures with wholly owned Annualized Rent. The prorata tenant exposure is then calculated as a percentage of this new total.

## SECOND QUARTER - 2001 LEASING ACTIVITY



### Available Space

Activity Type	Building Address	# of Leases	Usable SF	Rentable SF	Prev. Escalated Rent/Rentable SF* (\$'s)
Vacancy at 3/31/01			276,994		
<b>Acquired Vacancies</b>					
	317 Madison		19,393		
	Roll-forward Adjustment (Holdover)		35,704		
<b>Expiring Space</b>					
	Office				
	180 Madison Avenue	3	4,506	4,506	21.36
	1414 6th Avenue	0	-	-	-
	286 Madison Avenue	4	5,967	5,967	24.59
	292 Madison Avenue	1	10,113	10,113	29.44
	70 W. 36th Street	3	5,496	5,886	27.45
	470 Park Avenue South	1	1,136	1,136	26.84
	1412 Broadway	4	5,682	8,207	32.65
	1466 Broadway	5	9,347	13,070	31.38
	420 Lexington	8	14,089	16,026	30.80
<b>Total/Weighted Average</b>		<b>29</b>	<b>56,336</b>	<b>64,911</b>	<b>29.34</b>
	Retail				
	1372 Broadway	1	768	935	50.47
<b>Total/Weighted Average</b>		<b>1</b>	<b>768</b>	<b>935</b>	<b>50.47</b>
<b>Move Outs</b>					
	Office				
	1372 Broadway	1	370	525	40.00
	1412 Broadway	1	756	1,256	37.89
	1466 Broadway	3	3,373	5,125	36.10
	420 Lexington Avenue	4	3,771	4,884	31.91
		<b>9</b>	<b>8,270</b>	<b>11,790</b>	<b>34.73</b>
	Retail				
	1250 Broadway	1	2,000	2,000	25.88
		<b>1</b>	<b>2,000</b>	<b>2,000</b>	<b>25.88</b>
<b>Evicted Tenants</b>					
	Office				
	286 Madison Avenue	1	4,122	5,222	34.42
	1466 Broadway	2	2,609	3,562	36.23
	420 Lexington Avenue	1	364	520	53.00
		<b>4</b>	<b>7,094</b>	<b>9,304</b>	<b>36.15</b>
	Retail				
	440 Ninth Avenue	1	846	1,200	15.45
		<b>1</b>	<b>846</b>	<b>1,200</b>	<b>15.45</b>
<b>Relocating Tenants</b>					
	1466 Broadway	4	4,660	6,180	33.21
		<b>4</b>	<b>4,660</b>	<b>6,180</b>	<b>33.21</b>
<b>Available Space</b>					
	Office	46	76,361	92,185	30.98
	Retail	3	3,614	4,135	28.41
	<b>Total</b>	<b>49</b>	<b>79,975</b>	<b>96,320</b>	<b>30.87</b>
	<b>Available Space</b>		<b>394,214</b>		

\* Escalated Rent is calculated as Total Annual Income less Electric Charges.



## SECOND QUARTER - 2001 LEASING ACTIVITY



### Leased Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent / Rentable SF</u>	<u>Prev. Escalated Rent/ Rentable SF</u>	<u>T.I./ Rentable SF</u>	<u>Free Rent # of Months</u>
Available Space as of 3/31/01			394,214					
<b>Renewing Tenants</b>								
Office								
	292 Madison	1	10,113	10,269	45.00	28.99	-	-
	70 West 36th Street	1	1,671	1,835	30.00	22.16	-	-
	1466 Broadway	1	1,554	2,475	37.00	31.40	-	1.00
	420 Lexington	4	1,838	1,994	50.91	36.71	-	-
	<b>Total/Weighted Average</b>	<b>7</b>	<b>15,176</b>	<b>16,573</b>	<b>42.86</b>	<b>29.52</b>	<b>-</b>	<b>0.10</b>
<b>Relocating Tenants</b>								
Office								
	1466 Broadway	4	5,789	7,651	36.55	27.67	0.54	1.00
	<b>Total/Weighted Average</b>	<b>4</b>	<b>5,789</b>	<b>7,651</b>	<b>36.55</b>	<b>27.67</b>	<b>0.54</b>	<b>0.30</b>
	less 1466 Broadway	4	5,789	7,651	36.55	27.67	-	-
<b>Expansion Tenants</b>								
Office								
	420 Lexington	3	4,755	6,793	38.45	21.10	-	-
	<b>Total/Weighted Average</b>	<b>3</b>	<b>4,755</b>	<b>6,793</b>	<b>38.45</b>	<b>21.10</b>	<b>-</b>	<b>-</b>
<b>New Tenants Replacing Old Tenants</b>								
Office								
	180 Madison Avenue	2	1,987	1,987	41.70	35.74	-	2.00
	286 Madison Avenue	2	6,223	7,186	43.02	32.34	1.94	1.00
	1414 Sixth Avenue	1	573	980	56.00	22.09	-	-
	1372 Broadway	3	1,321	1,843	41.58	27.88	-	-
	420 Lexington Avenue	3	3,776	5,478	50.73	33.53	3.99	2.00
	<b>Total/Weighted Average</b>	<b>11</b>	<b>13,880</b>	<b>17,474</b>	<b>45.86</b>	<b>32.05</b>	<b>2.05</b>	<b>0.45</b>
Retail								
	440 Ninth Avenue	1	886	900	73.33	58.28	-	2.00
	<b>Total/Weighted Average</b>	<b>1</b>	<b>886</b>	<b>900</b>	<b>73.33</b>	<b>58.28</b>	<b>-</b>	<b>2.00</b>
	<b>Total/Weighted Average</b>	<b>25</b>	<b>39,600</b>	<b>48,491</b>	<b>42.33</b>	<b>28.96</b>	<b>0.82</b>	<b>-</b>

## SECOND QUARTER - 2001 LEASING ACTIVITY



### Leased Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent / Rentable SF</u>	<u>Prev. Escalated Rent/ Rentable SF</u>	<u>T.I./ Rentable SF</u>	<u>Free Rent # of Months</u>
<b>New Tenants Replacing Vacancies</b>								
Office								
	1370 Broadway	1	676	978	42.00	-	-	-
	1250 Broadway	1	1,118	1,638	47.00	-	6.00	1.00
	1412 Broadway	1	107	107	39.43	-	-	-
	420 Lexington Avenue	2	891	951	45.48	-	19.74	3.00
	<b>Total/Weighted Average</b>	<b>5</b>	<b>2,792</b>	<b>3,674</b>	<b>45.05</b>	<b>-</b>	<b>5.11</b>	<b>1.00</b>
Storage								
	440 Ninth Avenue	1	1,552	2,219	20.00	-	-	-
	1466 Broadway	1	4,100	4,100	20.00	-	-	-
	<b>Total/Weighted Average</b>	<b>2</b>	<b>5,652</b>	<b>6,319</b>	<b>20.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Leased Space</b>								
	<b>Office</b>	<b>30</b>	<b>42,392</b>	<b>52,165</b>	<b>42.52</b>	<b>28.96</b>	<b>1.13</b>	<b>-</b>
	<b>Retail</b>	<b>1</b>	<b>886</b>	<b>900</b>	<b>73.33</b>	<b>58.28</b>	<b>-</b>	<b>-</b>
	<b>Storage</b>	<b>2</b>	<b>5,652</b>	<b>6,319</b>	<b>20.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>33</b>	<b>48,930</b>	<b>59,384</b>	<b>40.59</b>	<b>29.51</b>	<b>0.99</b>	<b>-</b>
	<i>Total minus relos</i>	<b>29</b>	<b>43,141</b>	<b>51,733</b>	<b>41.19</b>	<b>29.27</b>	<b>1.13</b>	<b>-</b>
<b>Sold Vacancies</b>								
	1412 Broadway		<b>19,625</b>					
<b>Sub-Total Available Space @ 6/30/01</b>			<b>343,511</b>					
<b>Holdover Tenants</b>								
	180 Madison Avenue	3	4,506	4,506	21.36	21.36	-	-
	286 Madison Avenue	4	5,967	5,967	24.59	24.58	-	-
	70 West 36th Street	1	1,581	1,581	23.21	23.21	-	-
	470 Park Avenue South	1	1,136	1,136	26.84	26.84	-	-
	1372 Broadway	1	768	935	50.47	50.47	-	-
	1466 Broadway	2	2,161	3,005	36.33	36.33	-	-
	420 Lexington	3	10,995	11,422	29.14	29.14	-	-
		<b>17</b>	<b>27,114</b>	<b>30,727</b>	<b>27.90</b>	<b>27.90</b>	<b>-</b>	<b>-</b>
<b>Total Available Space @ 6/30/01</b>			<b>316,397</b>					

## SECOND QUARTER - 2001 LEASING ACTIVITY



### Leased Space

<u>Activity Type</u>	<u>Building Address</u>	<u># of Leases</u>	<u>Usable SF</u>	<u>Rentable SF</u>	<u>Rent / Rentable SF</u>	<u>Prev. Escalated Rent/ Rentable SF</u>	<u>T.I./ Rentable SF</u>	<u>Free Rent # of Months</u>
<b>Early Renewals</b>								
Office	1250 Broadway	1	4,820	6,712	49.00	47.00	3.25	1.00
	292 Madison Avenue	1	3,615	4,480	35.00	24.56	-	-
	1414 Avenue of Americas	1	5,514	6,300	29.04	27.95	-	-
	1140 Sixth Avenue	1	926	1,336	40.00	28.70	-	-
		<b>4</b>	<b>14,875</b>	<b>18,828</b>	<b>38.35</b>	<b>33.99</b>	<b>1.16</b>	<b>-</b>
Retail	1250 Broadway	1	5,115	5,682	115.00	84.86	-	-
		<b>1</b>	<b>5,115</b>	<b>5,682</b>	<b>115.00</b>	<b>84.86</b>	<b>0</b>	<b>0</b>
<b>Renewals</b>								
	Expired/Renewed	7	15,176	16,573	42.86	29.52	-	-
	Early Renewals Office	4	14,875	18,828	38.35	33.99	-	-
	Early Renewals Retail	1	5,115	5,682	115.00	84.86	-	-
	<b>Total</b>	<b>12</b>	<b>35,166</b>	<b>41,083</b>	<b>50.77</b>	<b>39.22</b>	<b>-</b>	<b>-</b>

\* Annual Base Rent

\*\* Escalated Rent is calculated as Total Annual Income less Electric Charges.



# ANNUAL LEASE EXPIRATIONS

## Consolidated Properties

Year of Lease Expiration	Number of Expiring Tenants*	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf **	Year 2001 Weighted Average Asking Rent \$/psf
In 1st Quarter 2001*	15	13,028	0.19%	353,724	32.69	42.00
In 2nd Quarter 2001*	15	24,436	1.41%	665,964	31.19	41.76
In 3rd Quarter 2001	40	193,008	1.73%	5,364,294	28.58	44.29
In 4th Quarter 2001	36	119,409	1.72%	2,949,927	26.72	40.52
<b>Total 2001</b>	<b>106</b>	<b>349,881</b>	<b>5.05%</b>	<b>9,333,909</b>	<b>28.28</b>	<b>42.01</b>
2002	165	401,148	5.79%	12,009,437	29.94	42.76
2003	149	564,807	8.16%	20,015,019	35.44	42.64
2004	130	589,713	8.52%	12,987,446	22.02	42.72
2005	117	633,905	9.15%	19,963,748	31.49	42.38
2006	75	411,615	5.94%	9,579,627	23.27	42.63
2007	51	276,928	4.00%	8,401,722	30.34	43.77
2008	52	459,517	6.64%	14,558,281	31.68	41.85
2009	53	565,769	8.17%	14,431,934	25.51	42.44
2010	60	1,063,169	15.35%	30,386,056	28.58	42.80
<b>Thereafter</b>	<b>56</b>	<b>1,608,666</b>	<b>23.23%</b>	<b>38,961,577</b>	<b>23.87</b>	<b>41.53</b>
	<b>1,014</b>	<b>6,925,118</b>	<b>100.00%</b>	<b>190,628,756</b>	<b>27.45</b>	<b>42.34</b>

\* Includes month to month holdover tenants that expired prior to 6/30/01.

\*Tenants may have multiple leases.

\*\*Represents in place annualized rent allocated by year of maturity.

# ANNUAL LEASE EXPIRATIONS



## Joint Venture Properties

Year of Lease Expiration	Number of Expiring Tenants*	Square Footage of Expiring Leases	Percentage of Total Leased Sq. Ft.	Annualized Rent of Expiring Leases (\$'s)	Annualized Rent Per Leased Square Foot of Expiring Leases \$/psf **	Year 2001 Weighted Average Asking Rent \$/psf
In 1st Quarter 2001*	3	2,664	0.90%	72,168	27.09	43.12
In 2nd Quarter 2001*	3	4,506	0.15%	96,240	21.36	43.00
In 3rd Quarter 2001	4	10,372	0.35%	151,110	14.57	49.73
In 4th Quarter 2001	4	10,670	0.36%	240,324	22.52	41.31
<b>Total 2001</b>	<b>14</b>	<b>28,212</b>	<b>0.94%</b>	<b>559,842</b>	<b>19.84</b>	<b>44.85</b>
2002	35	405,158	13.55%	13,639,780	33.67	47.40
2003	21	224,302	7.50%	4,884,180	21.78	43.50
2004	22	173,491	5.80%	5,375,676	30.99	47.72
2005	17	291,760	9.76%	8,934,704	30.62	49.96
2006	17	303,213	10.14%	7,313,064	24.12	45.56
2007	10	295,184	9.87%	9,906,184	33.56	52.27
2008	14	169,652	5.67%	4,636,872	27.33	47.15
2009	17	562,383	18.81%	17,935,644	31.89	49.72
2010	15	338,802	11.33%	12,139,581	35.83	49.73
<b>Thereafter</b>	<b>6</b>	<b>239,151</b>	<b>6.60%</b>	<b>6,409,767</b>	<b>32.19</b>	<b>47.76</b>
	<b>188</b>	<b>3,031,308</b>	<b>100.00%</b>	<b>91,735,294</b>	<b>30.67</b>	<b>48.36</b>

\* Includes month to month holdover tenants that expired prior to 6/30/01.

\*Tenants may have multiple leases.

\*\*Represents in place annualized rent allocated by year of maturity.

## SUMMARY OF REAL ESTATE ACQUISITION ACTIVITY POST 1997



	<u>Property</u>	<u>Type of Ownership</u>	<u>Submarket</u>	<u>Net Rentable s.f.</u>	<u>% Leased at acquisition</u>	<u>% Leased 6/30/2001</u>	<u>Acquisition Price (\$'s)</u>
<b>1998 Acquisitions</b>							
Mar-98	420 Lexington	Operating Sublease	Grand Central North	1,188,000	83	99	78,000,000
Mar-98	1466 Broadway	Fee Interest	Times Square	289,000	87	81	64,000,000
Mar-98	321 West 44th	Fee Interest	Times Square	203,000	96	96	17,000,000
May-98	711 3rd Avenue	Operating Sublease	Grand Central North	524,000	79	100	65,600,000
Jun-98	440 9th Avenue	Fee Interest	Garment	339,000	76	99	32,000,000
Aug-98	1412 Broadway	Fee Interest	Times Square South	<u>389,000</u>	90	N/A	<u>82,000,000</u>
				<b>2,932,000</b>			<b>338,600,000</b>
<b>1999 Acquisitions</b>							
Jan-99	420 Lexington Leasehold	Sub-leasehold	Grand Central North				27,300,000
Jan-99	555 West 57th - 65% JV	Fee Interest	Midtown West	941,000	100	100	66,700,000
May-99	90 Broad Street - 35% JV	Fee Interest	Financial	339,000	82	100	34,500,000
May-99	<u>The Madison Properties:</u>	Fee Interest	Grand Central South				50,000,000
	286 Madison Avenue			112,000	99	98	
	290 Madison Avenue			36,800	86	100	
	292 Madison Avenue			187,000	97	100	
Aug-99	1250 Broadway - 50% JV	Fee Interest	Penn Station	670,000	97	100	93,000,000
Nov-99	555 West 57th - remaining 35%	Fee Interest	Midtown West	<u>-</u>			<u>34,100,000</u>
				<b>2,285,800</b>			<b>305,600,000</b>
<b>2000 Acquisitions</b>							
Feb-00	100 Park Avenue	Fee Interest	Grand Central South	834,000	97	100	192,000,000
Dec-00	180 Madison Avenue	Fee Interest	Grand Central South	265,000	90	90	41,250,000
<b>Contribution to JV</b>							
May-00	321 West 44th	Fee Interest	Times Square	<u>203,000</u>	98	96	<u>28,400,000</u>
				<b>1,302,000</b>			<b>261,650,000</b>
<b>2001 Acquisitions</b>							
Jan-01	1370 Broadway	Fee Interest	Garment	255,000	97	99	50,500,000
Jan-01	1 Park Avenue	Various Interests	Grand Central South	913,000	97	97	233,900,000
Jan-01	469 7th Avenue - 35% JV	Fee Interest	Penn Station	253,000	98	90	45,700,000
Jun-01	317 Madison	Fee Interest	Grand Central	<u>450,000</u>	95	96	<u>105,600,000</u>
				<b>1,871,000</b>			<b>435,700,000</b>

(1) This includes the issuance of 44,772 OP units (valued at \$1mm) and \$20mm for a 50% interest in the Building Fee (purchased 7/98).

(2) This includes the assumption of mortgage debt for \$28.6mm (65% of \$44mm).



## SUMMARY OF REAL ESTATE SALES ACTIVITY POST 1999



	<u>Property</u>	<u>Type of Ownership</u>	<u>Submarket</u>	<u>Net Rentable s.f.</u>	<u>Sales Price (\$'s)</u>	<u>Sales Price (\$'s/SF)</u>
<b>2000 Sales</b>						
Feb-00	29 West 35th Street	Fee Structure	Garment	78,000	\$11,700,000	\$150
Mar-00	36 West 44th Street	Fee Structure	Grand Central	178,000	\$31,500,000	\$177
May-00	321 West 44th Street	Fee Structure	Times Square	203,000	\$28,400,000	\$140
Nov-00	90 Broad Street	Fee Structure	Financial	339,000	\$60,000,000	\$177
Dec-00	17 Battery South	Fee Structure	Financial	392,000	\$53,000,000	\$135
				<b>1,190,000</b>	<b>\$184,600,000</b>	<b>\$156</b>
<b>2001 Sales</b>						
Jan-01	633 Third Ave	Fee Structure	Grand Central North	40,623	\$13,250,000	\$326
May-01	1 Park Ave	Fee Structure	Times Square	913,000	\$233,900,000	\$256
Jun-01	1412 Broadway	Fee Structure	Times Square South	389,000	\$90,700,000	\$233
				<b>1,342,623</b>	<b>337,850,000</b>	<b>\$272</b>

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# SUPPLEMENTAL DEFINITIONS

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

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

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

**Fixed charge** is adjusted EBITDA divided by the total payments for ground leases and preferred stock.

**Fixed charge coverage** is adjusted EBITDA divided by total interest expense (including capitalized interest and debt premium amortization, but excluding finance cost amortization) plus preferred dividends and distributions.

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

**Funds from operations (FFO)** is defined as income from operations before minority interests, gains or losses from sales of real estate and extraordinary items plus real estate depreciation, an adjustment to derive SLG's pro rata share of the FFO of unconsolidated joint ventures, and perpetual preferred stock dividends. In accordance with NAREIT White Paper on FFO, SLG includes the effects of straight-line rents in FFO.

**Interest coverage** is adjusted EBITDA divided by total interest expense.

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

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

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

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

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

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

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

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

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## CORPORATE GOVERNANCE

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**Stephen L. Green**

Chairman of the Board and CEO

**Marc Holliday**

President and Chief Investment Officer

**Michael Reid**

Chief Operating Officer

**Tom Wirth**

Chief Financial Officer

**Gerard Nocera**

Executive Vice President, Leasing

**Andrew S. Levine**

General Counsel and Secretary

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