



SL Green Realty Corp Announces Agreement To Acquire TIAA-CREF Buildings In Midtown Manhattan

New York, NY- Thursday, June 17, 2004 - SL Green Realty Corp. (NYSE: SLG) today announced that it has entered into an agreement to acquire two office buildings, comprising 1.7 million square feet, located at 750 Third Avenue ("750 Third") and 485 Lexington Avenue ("485 Lexington") for \$480 million, or \$282 per square foot. The properties are being acquired from TIAA-CREF, a national financial services company, and occupy a full city block bounded by 46th Street and 47th Street and Third Avenue and Lexington Avenue and are located in the Grand Central submarket. The transaction is expected to close in the third quarter of 2004. The properties will be acquired separately by two SL Green-controlled entities.

750 THIRD

750 Third will be purchased by SL Green as a wholly-owned asset for \$255 million. The acquisition will initially be funded by proceeds from the Company's unsecured line of credit, which currently has no outstanding balance. SL Green expects to pay down a majority of the line of credit capacity used to acquire the property by year-end with the proceeds of identified asset sales that the Company expects to consummate as part of its redeployment strategy. Those proceeds will be reinvested in 750 Third to effectuate a "reverse 1031 exchange" resulting in a deferral of the Company's taxable gain on the asset sales.

At closing, TIAA-CREF, a AAA-rated company, will enter into an operating lease for the entire building. At the expiration of such operating lease, in December 2005, the building will be approximately 25% vacant, with average in-place escalated rents for all office tenants (exclusive of the operating lease) of \$42 per square foot, which is approximately 15% below market value. The majority of such vacancy will be in the upper tower floors of the property. The balance of the property is currently leased to credit-quality tenants including Fairchild Publications, Inc., Richard A. Eisner, LLP and TIAA-CREF on a longer-term basis.

485 LEXINGTON

485 Lexington will be acquired in a joint venture with The City Investment Fund, L.P. SL Green expects to own approximately 37.5% of the equity interests in the property. The allocated price for 485 Lexington is \$225 million. The joint venture has arranged for a loan facility to fund 75% of the acquisition and anticipated retenuing costs of 485 Lexington. Consistent with its prior joint venture arrangements, SL Green will be the operating partner and day-to-day manager of the venture and will be entitled to management fees, leasing commissions and incentive fees.

At closing, TIAA-CREF will enter into an operating lease for the entire building. Upon expiration of the operating lease in December 2005, it is anticipated that TIAA-CREF will vacate all of the space it occupies in 485 Lexington (approximately 870,000 square feet). TIAA-CREF will remain headquartered in New York City in its building located at 730 Third Avenue.

The going-in cash return for the acquisition of the properties is approximately 6.8% and is projected to increase substantially when the space being vacated by TIAA-CREF is re-leased at higher market rents. The acquisition is anticipated to be immediately accretive to earnings, although the full impact will be dependent in part upon the timing and proceeds of asset dispositions.

Marc Holliday, the Company's President and Chief Executive Officer stated, "We are proud that TIAA-CREF has selected us to acquire these properties. These are significant transactions for SL Green that will enable us to achieve our strategic objectives of continually upgrading our portfolio while investing in the future earnings growth of the Company. The acquisition of 750 Third Avenue allows us to convert certain of our non-core properties into a core asset with embedded value and rental growth at an attractive price per square foot. Additionally, we believe this is the right time in New York City's economic cycle to acquire 485 Lexington and 750 Third Avenue, which will represent the largest blocks of contiguous vacant space in a prime Midtown location. This transaction also continues our successful partnership with The City Investment Fund."

Richard Baxter, Yoron Cohen and Scott Latham of Cushman and Wakefield represented TIAA-CREF on the sale of the property.

Today, SL Green's portfolio consists of interests in 27 properties, aggregating 15.4 million square feet.

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust ("REIT") that acquires, owns, repositions and manages a portfolio of commercial office properties in Manhattan. The Company is the only publicly traded REIT, which exclusively specializes in this niche.

To receive SL Green's latest news release and other corporate documents, via FAX at no cost, please contact the Investor Relations office at 212-216-1601. All releases and supplemental data can also be downloaded directly from the SL Green website at: www.slgreen.com

Forward Looking Information

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