

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: November 3, 2004

RECKSON ASSOCIATES REALTY CORP.  
and  
RECKSON OPERATING PARTNERSHIP, L.P.  
(Exact name of each Registrant as specified in its Charter)

Reckson Associates Realty Corp. - Maryland  
Reckson Operating Partnership, L.P. - Delaware  
(State or other jurisdiction of incorporation or  
organization)

225 Broadhollow Road  
Melville, New York  
(Address of principal executive offices)

Reckson Associates Realty Corp. -  
11-3233650  
Reckson Operating Partnership, L.P. -  
11-3233647  
(IRS Employer ID Number)  
11747  
(Zip Code)

1-13762  
(Commission File Number)

(631) 694-6900  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrants under any of  
the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17  
CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act  
(17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the  
Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the  
Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On November 3, 2004, Reckson Associates Realty Corp. (the "Company")  
issued a press release announcing its consolidated financial results for the  
quarter ended September 30, 2004. A copy of this press release is furnished as  
Exhibit 99.1 to this Current Report on Form 8-K.

The information contained in this Current Report on Form 8-K, including  
Exhibit 99.1, shall not be deemed "filed" with the Securities and Exchange  
Commission for the purposes of Section 18 of the Securities Exchange Act of  
1934 or otherwise subject to the liabilities of that section, nor shall it be  
incorporated by reference in any registration statement filed by the Company  
or Reckson Operating Partnership, L.P. under the Securities Act of 1933, as  
amended.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Reckson Associates Realty Corp. Earnings Press Release dated  
November 3, 2004

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RECKSON ASSOCIATES REALTY CORP.

By: /s/Scott Rechler

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Scott Rechler  
Chief Executive Officer  
and President

RECKSON OPERATING PARTNERSHIP, L.P.

By: Reckson Associates Realty Corp.,  
its General Partner

By: /s/Scott Rechler

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Scott Rechler  
Chief Executive Officer  
and President

Date: November 4, 2004



## PRESS RELEASE

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Reckson Associates Realty Corp.  
 225 Broadhollow Road  
 Melville, NY 11747  
 (631) 694-6900 (Phone)  
 (631) 622-6790 (Facsimile)  
 Contact: Scott Rechler, CEO  
 Michael Maturo, CFO

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FOR IMMEDIATE RELEASE

Reckson Announces Third Quarter 2004 Results Reflecting Continued  
 Solid Operating Performance and Increased Investment Activity

Same Property Portfolio Net Operating Income Increased by 5.5%  
 Announced Four Acquisitions Totaling Approximately \$117 Million

(MELVILLE, NEW YORK, November 3, 2004) - Reckson Associates Realty Corp. (NYSE: RA) today reported diluted funds from operations ("FFO") of \$34.8 million or \$0.47 per share for the third quarter of 2004, \$0.56 per share when adjusted for the \$6.7 million or \$0.09 per share accounting charge recognized in connection with the redemption of the Company's 7 5/8% Series A Preferred stock, as compared to FFO of \$41.2 million or \$0.56 per share for the third quarter of 2003.

Commenting on the Company's performance, Scott Rechler, Reckson's President and Chief Executive Officer, stated, "I believe that our third quarter's leasing, investment and capital markets activity clearly demonstrate the progress that we have made since closing our corporate restructuring approximately one year ago. We are better positioned to capitalize on the strength of our franchise, improving market conditions and flexible balance sheet to execute on our growth plan and strategy of being the New York Tri-State area's 'Landlord of Choice'."

The Company also reported net income allocable to common shareholders of \$8.8 million in the third quarter of 2004, including \$2.2 million related to gain on sales of real estate and the aforementioned \$6.7 million accounting charge, as compared to \$10.0 million in the third quarter of 2003. The Company reported diluted earnings per share ("EPS") of \$0.13 in the third quarter of 2004, as compared to EPS of \$0.17 in the third quarter of 2003.

A reconciliation of FFO to net income allocable to common shareholders, the GAAP measure the Company believes to be the most directly comparable, is in the financial tables accompanying this press release.

Commenting on the Company's significant capital markets activity, Michael Maturo, Reckson's Chief Financial Officer, stated, "Our recent capital markets transactions complete our post restructuring goal to significantly strengthen our balance sheet. During this period, we issued \$300 million of new common equity, refinanced maturing unsecured debt and short-term borrowings with \$300 million of long-term unsecured debt, redeemed or converted 100% of our outstanding 7 5/8% Series A preferred stock saving \$16.6 million in annualized preferred dividends, and repaid approximately \$350 million of outstanding mortgage notes, substantially increasing the value of our unencumbered portfolio and reducing our outstanding secured debt."

## Summary Portfolio Performance

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The Company reported office occupancy at September 30, 2004 of 93.9%. This compares to 91.0% at September 30, 2003 and 94.0% at June 30, 2004. The Company reported portfolio occupancy of 93.1% at September 30, 2004, as compared to 89.9%, excluding the Long Island industrial properties, at September 30, 2003, and 93.1% at June 30, 2004.

The Company also reported same property office occupancy at September 30, 2004 of 93.6%, as compared to 91.0% at September 30, 2003. The Company reported same property portfolio occupancy of 92.7% at September 30, 2004, as compared to 89.8% at September 30, 2003.

Office same property net operating income (property operating revenues less property operating expenses) ("NOI") before termination fees for the third quarter of 2004 increased 4.9% (cash) and 4.1% (including straight-line rent), compared to the third quarter of 2003. Portfolio same property NOI before termination fees for the third quarter of 2004 increased 5.5% (cash) and 4.7% (including straight-line rent), compared to the third quarter of 2003.

Net of minority interests in joint ventures, office same property NOI before termination fees for the third quarter of 2004 increased 5.0% (cash) and 4.5% (including straight-line rent), compared to the third quarter of 2003. Net of minority interests in joint ventures, portfolio same property NOI before termination fees for the third quarter of 2004 increased 5.8% (cash) and 5.1% (including straight-line rent), compared to the third quarter of 2003.

Rent performance on renewal and replacement space during the third quarter of

2004 decreased (1.8%) (cash) and increased 4.2% (including straight-line rent) in the office portfolio.

## Other Highlights

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## Leasing Activity

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- Executed 53 lease transactions totaling 676,389 square feet during the third quarter of 2004
- Executed office leasing transactions during the third quarter of 2004 that resulted in a 75% renewal rate

## Investment Activity

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Completed \$117 million of investments which the Company expects to generate a blended stabilized GAAP NOI yield in excess of 9.5%. This activity includes:

- Acquisition of a 215,000 square foot, Class A office building located at 44 Whippany Road in Morristown, New Jersey, for \$30 million, with cash and the issuance of common units of limited partnership interest, valued at \$28.70 per unit
- Acquisition of a 141,000 square foot, Class A office building located at 3 Giralda Farms within the Giralda Farms Corporate Campus in Madison, New Jersey, for a total anticipated investment of approximately \$31 million - within two months after acquiring the property the Company signed a long-term lease with Daiichi Pharmaceutical Corporation to occupy the entire building
- Acquisition of a 260,500 square foot, Class A office building located at 300 Broadhollow Road in Melville, Long Island, strategically located at the intersection of Route 110 and the Long Island Expressway, for approximately \$41 million, or an approximate 30% discount to replacement cost
- Acquisition of the remaining 49% interest in a 235,300 square foot, nine story, Class A office building located at 90 Merrick Avenue in East Meadow, Long Island, from the Company's joint venture partner, for approximately \$14.9 million, or \$130 per square foot

## Disposition Activity

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- Sale of a 92,000 square foot, industrial property located at 500 Saw Mill River Road in Elmsford, Westchester, for approximately \$7.3 million

## Development Activity

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- Construction remains on schedule at the Company's ground-up development of 68 South Service Road in Melville, Long Island, a 277,000 square foot, Class A office building, for a total anticipated investment of approximately \$60 million

## Capital Markets Activity

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- Issued 5.0 million shares of common stock, raising approximately \$137.0 million of net proceeds, representing \$27.39 per share - proceeds were used to redeem a portion of the Company's outstanding 7 5/8% Series A preferred stock

- Redeemed or converted 100% of the Company's 7 5/8% Series A preferred stock resulting in \$16.6 million of annualized preferred dividend savings and net dividend savings of \$2.7 million
  - Redeemed 6.8 million shares of Series A preferred stock for cash at \$25.7625 per share, or \$175.4 million
  - Converted 1.9 million shares of Series A preferred stock for 1.8 million shares of common stock
  - Redemption resulted in an accounting charge of approximately \$6.7 million in the third quarter of 2004 and will result in an accounting charge of approximately \$9.5 million in the fourth quarter of 2004
- Issued \$150 million of 5.875% ten-year senior unsecured notes (interest rate hedged down to an effective rate of 5.751%), with the proceeds used to pay off the balance of the outstanding mortgage debt on 1185 Avenue of the Americas, New York City
- Refinanced the Company's \$500 million unsecured line of credit for three years
- Completed the initial public offering ("IPO") of American Campus Communities, Inc. ("ACC"), an RSVP controlled company, which is expected to generate approximately \$30.0 million in proceeds to Reckson, with \$10.6 million received to date
- Pre-paid on November 1, 2004 the outstanding mortgage debt of approximately \$100 million secured by One Orlando Centre, Florida and Tower 45, New York City through a borrowing under the credit facility

#### Earnings Guidance

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On Thursday, November 4th, during the Company's quarterly earnings conference call, management will discuss FFO guidance per share for the remainder of 2004 and for full year 2005.

#### Non-GAAP Financial Measures

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#### Funds from Operations ("FFO")

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The Company believes that FFO is a widely recognized and appropriate measure of performance of an equity REIT. The Company presents FFO because it considers it an important supplemental measure of the Company's operating performance and believes it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. As a result, FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs,

development activities, interest costs and other matters without the inclusion of depreciation and amortization, providing perspective that may not necessarily be apparent from net income. The Company computes FFO in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"). FFO is defined by NAREIT as net income or loss, excluding gains or losses from sales of depreciable properties plus real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO does not represent cash generated from operating activities in accordance with GAAP and is not indicative of cash available to fund cash needs. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flow as a measure of liquidity. Since all companies and analysts do not calculate FFO in a similar fashion, the Company's calculation of FFO presented herein may not be comparable to similarly titled measures as reported by other companies.

Reckson Associates Realty Corp. is a self-administered and self-managed real estate investment trust (REIT) specializing in the acquisition, leasing, financing, management and development of Class A office properties.

Reckson's core growth strategy is focused on the markets surrounding and including New York City. The Company is one of the largest publicly traded owners, managers and developers of Class A office properties in the New York Tri-State area, with 87 properties comprised of approximately 15.9 million square feet either owned or controlled, or under contract. For additional information on Reckson Associates Realty Corp., please visit the Company's web site at [www.reckson.com](http://www.reckson.com).

#### Conference Call and Webcast - -----

The Company's executive management team, led by President and Chief Executive Officer Scott Rechler, will host a conference call outlining third quarter results on Thursday, November 4, 2004 at 10:00 a.m. EST. The conference call may be accessed by dialing (800) 762-4717 (internationally (480) 629-9024). No passcode is required. The live conference call will also be webcast in a listen-only mode on the Company's web site at [www.reckson.com](http://www.reckson.com), in the Investor Relations section, with an accompanying slide show presentation outlining the Company's third quarter results.

A replay of the conference call will be available telephonically from November 4, 2004 at 3:30 p.m. EST through November 12, 2004 at 11:59 p.m. EST. The telephone number for the replay is (800) 475-6701, passcode 749458. A replay of the webcast of the conference call will also be available via the Company's web site.

#### Financial Statements Attached - -----

The Supplemental Package and Slide Show Presentation outlining the Company's third quarter 2004 results will be available prior to the Company's quarterly conference call on the Company's web site at [www.reckson.com](http://www.reckson.com) in the Investor Relations section, by e-mail to those on the Company's distribution list, as well as by mail or fax, upon request. To



be added to the Company's e-mail distribution list or to receive a copy of the quarterly materials by mail or fax, please contact Susan McGuire, Investor Relations, Reckson Associates Realty Corp., 225 Broadhollow Road, Melville, New York 11747-4883, [investorrelations@reckson.com](mailto:investorrelations@reckson.com) or (631) 622-6746.

Certain matters discussed herein, including guidance concerning the Company's future performance, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of results and no assurance can be given that the expected results will be delivered. Such forward-looking statements are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those expected. Among those risks, trends and uncertainties are the general economic climate, including the conditions affecting industries in which our principal tenants compete; financial condition of our tenants; changes in the supply of and demand for office properties in the New York Tri-State area; changes in interest rate levels; changes in the Company's credit ratings; changes in the Company's cost of and access to capital; downturns in rental rate levels in our markets and our ability to lease or re-lease space in a timely manner at current or anticipated rental rate levels; the availability of financing to us or our tenants; changes in operating costs, including utility, real estate taxes, security and insurance costs; repayment of debt owed to the Company by third parties (including Frontline Capital Group); risks associated with joint ventures; liability for uninsured losses or environmental matters; and other risks associated with the development and acquisition of properties, including risks that development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated. For further information on factors that could impact Reckson, reference is made to Reckson's filings with the Securities and Exchange Commission. Reckson undertakes no responsibility to update or supplement information contained in this press release.

Reckson Associates Realty Corp.(NYSE: RA)  
Consolidated Statements of Income  
(in thousands, except share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Property Operating Revenues:				
Base rents	\$ 111,260	\$ 93,225	\$ 332,060	\$ 282,110
Tenant escalations and reimbursements	19,517	16,244	55,110	44,186
Total property operating revenues	130,777	109,469	387,170	326,296
Property Operating Expenses:				
Operating expenses	32,779	27,517	94,185	79,307
Real estate taxes	21,865	18,705	62,550	52,734
Total property operating expenses	54,644	46,222	156,735	132,041
Net Operating Income	76,133	63,247	230,435	194,255
Gross Margin percentage	58.2%	57.8%	59.5%	59.5%
Other Income	7,433	6,518	16,827	18,501
Other Expenses				
Interest expense	24,120	19,883	74,388	60,125
Amortization of deferred financing costs	1,005	807	2,831	2,513
Depreciation and amortization	29,584	25,063	86,496	79,121
Marketing, general and administrative	7,681	8,163	22,122	24,527
Total other expenses	62,390	53,916	185,837	166,286
Income before minority interests, preferred dividends and distributions, gain on sales of depreciable real estate and discontinued operations	21,176	15,849	61,425	46,470
Minority partners' interests in consolidated partnerships	(4,135)	(4,117)	(14,738)	(12,580)
Distributions to preferred unitholders	(41)	(273)	(541)	(820)
Limited partners' minority interest in the operating partnership	(334)	(658)	(1,434)	(1,793)
Income before discontinued operations and preferred dividends	16,666	10,801	44,712	31,277
Discontinued operations (net of limited partners' minority interest)				
Gain on sales of real estate	2,228	-	11,069	-
Income from discontinued operations	100	4,524	653	10,930
Net income	18,994	15,325	56,434	42,207
Dividends to preferred shareholders	(3,437)	(5,316)	(11,868)	(15,950)
Redemption charges on Series A preferred stock	(6,717)	-	(6,717)	-
Net income allocable to common shareholders	\$ 8,840	\$ 10,009	\$ 37,849	\$ 26,257
Allocable to Class A common	\$ 8,840	\$ 7,613	\$ 37,849	\$ 19,977
Allocable to Class B common	-	2,396	-	6,280
Net income allocable to common shareholders	\$ 8,840	\$ 10,009	\$ 37,849	\$ 26,257
Basic weighted average common shares outstanding:				
Class A common	70,237,000	48,009,000	66,179,000	48,070,000
Class B common	-	9,915,000	-	9,915,000
Basic net income per weighted average common share:				
Class A common stock - income from continuing operations	\$0.10	\$0.09	\$0.39	\$0.25
Discontinued operations	0.03	0.07	0.18	0.17
Basic net income per Class A common	\$0.13	\$0.16	\$0.57	\$0.42
Class B common stock - income from continuing operations	-	\$0.13	-	\$0.37
Discontinued operations	-	0.11	-	0.26
Basic net income per Class B common	-	0.24	-	0.63
Diluted weighted average common shares outstanding:				

Class A common	70,510,000	48,179,000	66,533,000	48,205,000
Class B common	-	9,915,000	-	9,915,000
Diluted net income per weighted average common share:				
Class A common	\$0.13	\$0.16	\$0.57	\$0.41
Class B common	-	\$0.17	-	\$0.45

Reckson Associates Realty Corp.  
Supplemental Operating and Financial Data for the Quarter Ended  
September 30, 2004

Reckson Associates Realty Corp. (NYSE: RA)  
Consolidated Balance Sheets  
(in thousands)

	September 30, 2004	December 31, 2003
	-----	-----
Assets:	(unaudited)	
Commercial real estate properties, at cost:		
Land	\$ 398,790	\$ 378,479
Buildings and improvements	2,664,258	2,211,566
Developments in progress:		
Land	98,468	90,706
Development costs	27,889	68,127
Furniture, fixtures, and equipment	11,862	11,338
	-----	-----
	3,201,267	2,760,216
Less: accumulated depreciation	(542,124)	(464,382)
	-----	-----
Investment in real estate, net of accumulated depreciation	2,659,143	2,295,834
Properties and related assets held for sale, net of accumulated depreciation	-	52,517
Investments in real estate joint ventures	6,574	5,904
Investments in mortgage notes and notes receivable	53,525	54,986
Investments in service companies and affiliate loans and joint ventures	60,270	71,614
Cash and cash equivalents	53,275	22,330
Tenant receivables	10,903	11,929
Deferred rents receivable	127,672	111,962
Prepaid expenses and other assets	61,645	35,371
Contract and land deposits and pre-acquisition costs	77	20,203
Deferred leasing and loan costs (net of accumulated amortization)	74,880	64,345
	-----	-----
Total Assets	\$ 3,107,964	\$ 2,746,995
	-----	-----
Liabilities:		
Mortgage notes payable	\$ 712,337	\$ 721,635
Unsecured credit facility	90,000	169,000
Senior unsecured notes	697,911	499,445
Liabilities associated with properties held for sale	-	881
Accrued expenses and other liabilities	111,634	93,885
Dividends and distributions payable	35,174	28,290
	-----	-----
Total Liabilities	1,647,056	1,513,136
	-----	-----
Minority partners' interests in consolidated partnerships	212,057	233,070
Preferred unit interest in the operating partnership	1,200	19,662
Limited partners' minority interest in the operating partnership	50,737	44,518
	-----	-----
	263,994	297,250
	-----	-----
Commitments and contingencies	-	-
Stockholders' Equity:		
Preferred Stock, \$.01 par value, 25,000,000 shares authorized		
Series A - 5,320,485 and 8,834,500 shares issued and outstanding, respectively	53	88
Series B - 0 and 2,000,000 shares issued and outstanding, respectively	-	20
Common Stock, \$.01 par value, 100,000,000 shares authorized		
Class A - 75,535,562 and 58,275,367 shares issued and outstanding, respectively	755	583
Treasury Stock, 3,318,600 shares	(68,492)	(68,492)
Retained earnings	-	35,757
Additional paid in capital	1,264,598	968,653
	-----	-----
Total Stockholders' Equity	1,196,914	936,609
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 3,107,964	\$ 2,746,995
	-----	-----
Total debt to market capitalization (a):	36.2%	41.2%
	-----	-----
(a) Total debt includes the Company's pro rata share of consolidated and unconsolidated joint venture debt.		

Reckson Associates Realty Corp. (NYSE: RA)  
Funds From Operations  
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income allocable to common shareholders	\$ 8,840	\$ 10,009	\$ 37,849	\$ 26,257
Add: Real estate depreciation and amortization	26,758	24,407	78,100	78,249
Minority partners' interests in consolidated partnerships	7,117	7,437	23,931	23,074
Limited partners' minority interest in the operating partnership	453	1,202	2,090	3,072
Less: Amounts distributable to minority partners in consolidated partnerships	6,070	6,339	20,985	19,914
Gain on sales of depreciable real estate	2,381	-	11,322	-
Basic Funds From Operations ("FFO")	34,717	36,716	109,663	110,738
Add: Dividends and distributions on dilutive shares and units	41	4,485	541	13,452
Diluted FFO	\$ 34,758	\$ 41,201	\$ 110,204	\$ 124,190
Diluted FFO calculations:				
Weighted average common shares outstanding	70,237	57,924	66,179	57,985
Weighted average units of limited partnership interest outstanding	3,552	7,554	3,551	7,370
Basic weighted average common shares and units outstanding	73,789	65,478	69,730	65,355
Adjustments for dilutive FFO weighted average shares and units outstanding:				
Common stock equivalents	274	170	354	136
Series A preferred stock	-	7,747	-	7,747
Limited partners' preferred interest	127	661	455	661
Total diluted weighted average shares and units outstanding	74,190	74,056	70,539	73,899
Diluted FFO per weighted average share or unit	\$ 0.47	\$ 0.56	\$ 1.56	\$ 1.68
Diluted weighted average dividends per share	\$ 0.42	\$ 0.42	\$ 1.27	\$ 1.27
Diluted FFO payout ratio	90.7%	76.4%	81.6%	75.8%
FFO Data excluding redemption charges incurred on Series A preferred stock:				
Diluted FFO per weighted average share or unit	\$ 0.56	\$ 0.56	\$ 1.65	\$ 1.68
Diluted weighted average dividends per share	\$ 0.42	\$ 0.42	\$ 1.27	\$ 1.27
Diluted FFO payout ratio	76.4%	76.4%	77.2%	75.8%
Reconciliation from Net Income allocable to common shareholders to Diluted FFO excluding redemption charges:				
Net income allocable to common shareholders	\$ 8,840	\$ 10,009	\$ 37,849	\$ 26,257
Add: Redemption charges incurred on Series A preferred stock	6,717	-	6,717	-
Real estate depreciation and amortization	26,758	24,407	78,100	78,249
Minority partners' interests in consolidated partnerships	7,117	7,437	23,931	23,074
Limited partners' minority interest in the operating partnership	453	1,202	2,090	3,072
Dividends and distributions on dilutive shares and units	3,477	4,485	12,354	13,452
Less: Amounts distributable to minority partners in consolidated partnerships	6,070	6,339	20,985	19,914
Gain on sales of depreciable real estate	2,381	-	11,322	-
Diluted FFO excluding redemption charges	\$ 44,911	\$ 41,201	\$ 128,734	\$ 124,190
Diluted weighted average shares and units outstanding	80,755	74,056	77,867	73,899

Reckson Associates Realty Corp.(NYSE: RA)  
Cash Available for Distribution  
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Basic Funds From Operations	\$ 34,717	\$ 36,716	\$ 109,663	\$ 110,738
Adjustments for basic cash available for distribution:				
Less: Straight line rents and other FAS 141 non-cash rent adjustments	6,427	4,712	18,441	13,389
Committed non-incremental capitalized tenant improvements and leasing costs	6,834	7,049	25,361	22,645
Actual non-incremental capitalized improvements	2,129	3,070	5,984	7,125
Add: Redemption charges on Series A preferred stock	6,717	-	6,717	-
Basic Cash Available for Distribution ("CAD")	26,044	21,885	66,594	67,579
Add: Dividends and distributions on dilutive shares and units	25	-	-	-
Diluted CAD	\$ 26,069	\$ 21,885	\$ 66,594	\$ 67,579
Diluted CAD calculations:				
Weighted average common shares outstanding	70,237	57,924	66,179	57,985
Weighted average units of limited partnership interest outstanding	3,552	7,554	3,551	7,370
Basic weighted average common shares and units outstanding	73,789	65,478	69,730	65,355
Adjustments for dilutive CAD weighted average shares and units outstanding:				
Common stock equivalents	274	170	354	136
Series A preferred stock	-	-	-	-
Limited partners' preferred interest	88	-	-	-
Total diluted weighted average shares and units outstanding	74,151	65,648	70,084	65,491
Diluted CAD per weighted average share or unit	\$ 0.35	\$ 0.33	\$ 0.95	\$ 1.03
Diluted weighted average dividends per share	\$ 0.42	\$ 0.42	\$ 1.27	\$ 1.27
Diluted CAD payout ratio	120.9%	127.4%	134.1%	123.5%

