

 SL GREEN REALTY CORP.  
COMPANY UPDATE | NAREIT | JUNE 2014

# 2014 Goals and Objectives

## SUMMARY

### LEASING

- Sign 2.0M sf of New York City leases
- Increase same store portfolio occupancy by 1.5% to 96.0%
- Achieve NYC mark-to-market of 7% to 10% (originally 5% - 8%)
- Ink new retail anchor tenant at 650 Fifth Ave., Manhattan

### INVESTMENT ACTIVITY

- Acquire \$400M of office properties offset by \$400M of dispositions
- Achieve aggregate residential and retail investments of \$500M
- Sell one additional suburban asset
- Retain \$400M of debt and preferred equity originations
- Refinance our basis in 724 Fifth Ave., Manhattan
- Obtain approval for a special permit at One Vanderbilt Ave.

### CORPORATE

- Obtain Fitch investment grade rating
- Increase same store cash NOI by 3.5%
- Raise common dividend again by at least 7.5%
- Achieve a total return of > 10% and exceed the MSCI index by 300 bps
- Increase EBITDA contribution from 'growth portfolio' by \$40M

# Exceptional Relative Performance

## STRONGEST FORECASTED GROWTH

	2013	2014E	GROWTH
SL Green Realty	\$5.16	\$5.93 <sup>1</sup>	14.9%
Alexandria Real Estate	\$4.33	\$4.76 <sup>2</sup>	9.9%
Boston Properties	\$4.91	\$5.28 <sup>2</sup>	7.5%
Douglas Emmett	\$1.49	\$1.60 <sup>2</sup>	7.4%
Duke Realty	\$1.10	\$1.16 <sup>2</sup>	5.5%
Digital Realty	\$4.74	\$4.84 <sup>2</sup>	2.1%
Kilroy Realty	\$2.66	\$2.71 <sup>2</sup>	1.9%
Liberty Property	\$2.49	\$2.50 <sup>2</sup>	0.4%
Mack Cali Realty	\$2.38	\$1.67 <sup>2</sup>	-28.9%

## BEST-IN-CLASS OPERATING PERFORMANCE

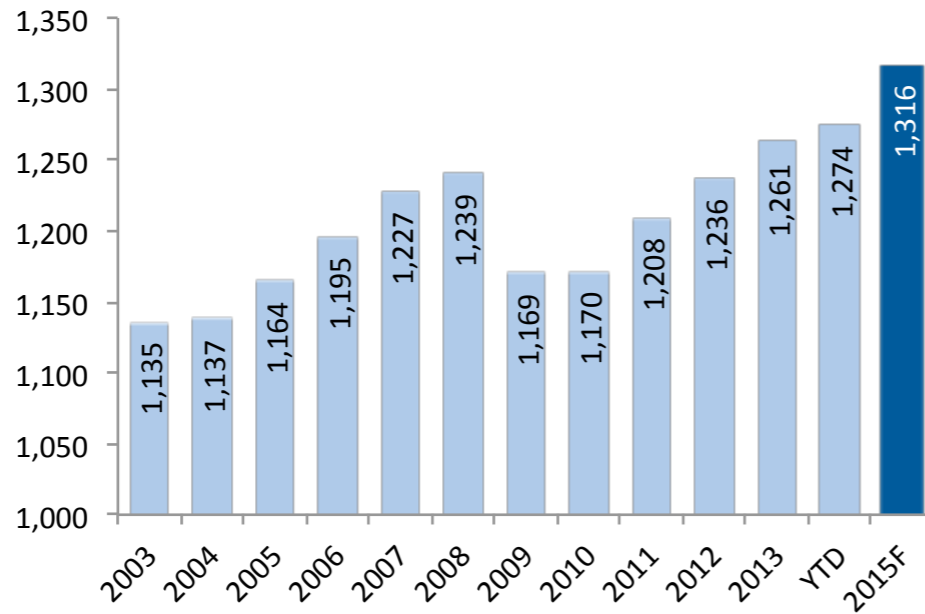
	2013 RESULTS	2014 GUIDANCE
FFO Per Share	\$5.16	\$5.93 <sup>1</sup>
Same Store Cash NOI Growth	3.0%	3.0% - 4.0%
Same Store Occupancy	94.4%	96.0%
Manhattan Leasing Volume	5.2M sf	2.0M sf
Manhattan Office Mark-To-Market	9.5%	7.0% - 10.0%

<sup>1</sup> Mid-point of management's increased guidance range

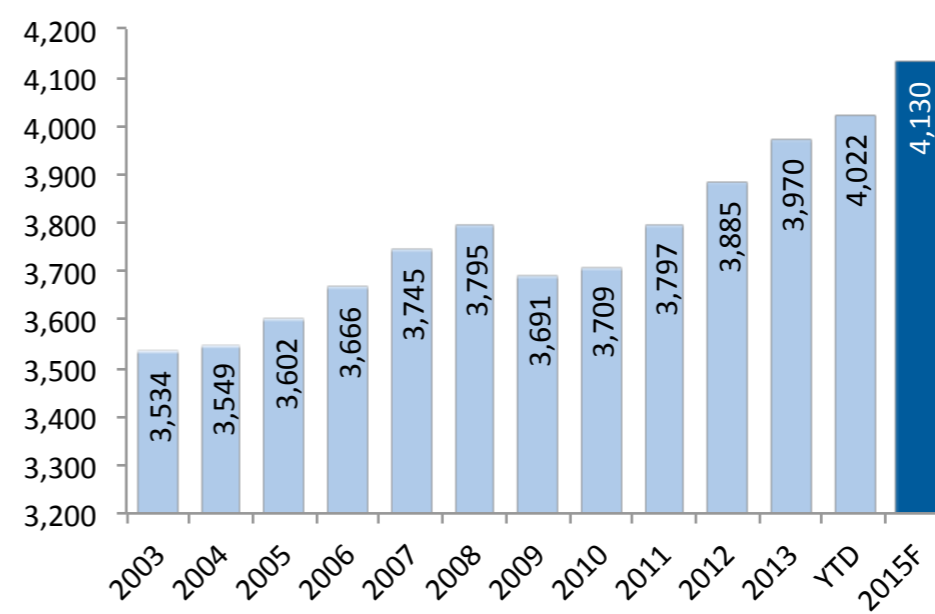
<sup>2</sup> Source: Thompson FirstCall Estimates as of 05/23/2014

# NYC Employment Reaches New High

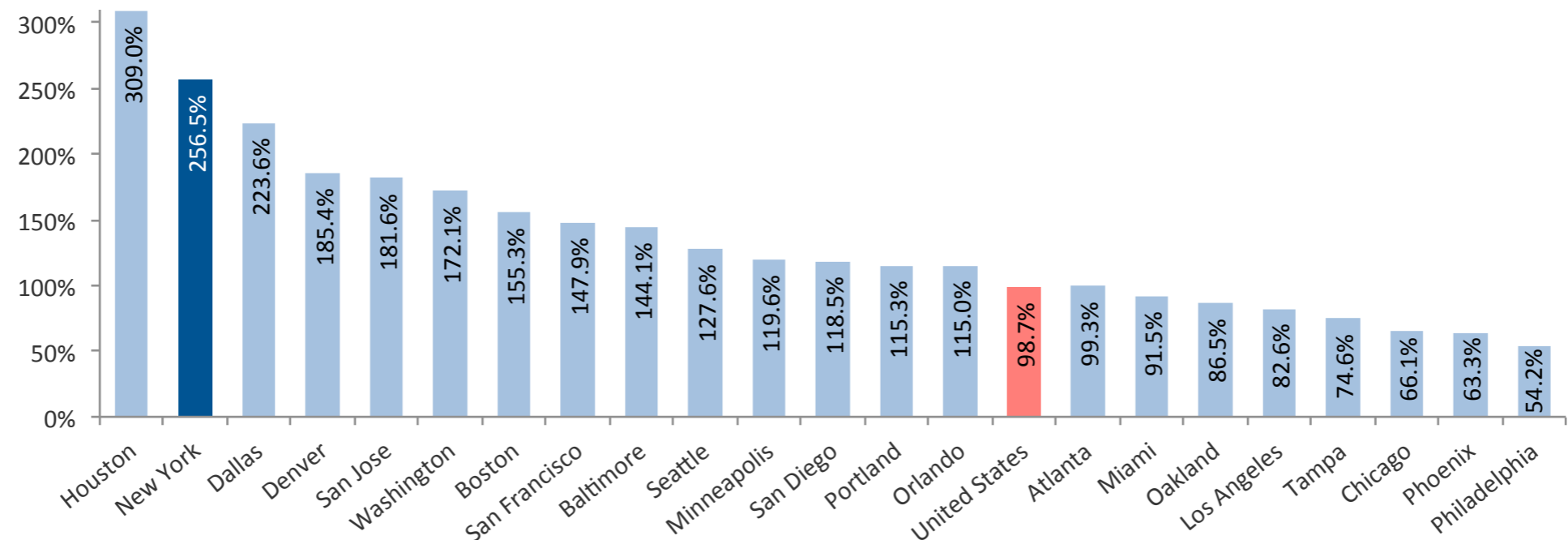
## NYC OFFICE USING JOBS



## NYC TOTAL EMPLOYMENT



## JOBS RECOVERED SINCE TROUGH AS A PERCENTAGE OF JOBS LOST <sup>1</sup>

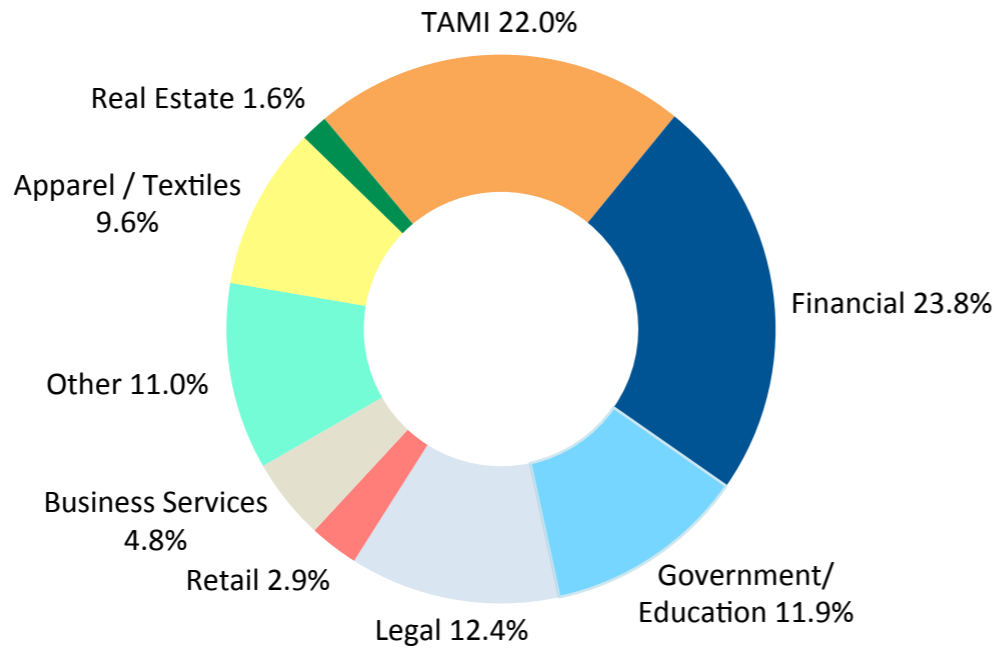


<sup>1</sup> Trough defined as April 2008 through November 2009.

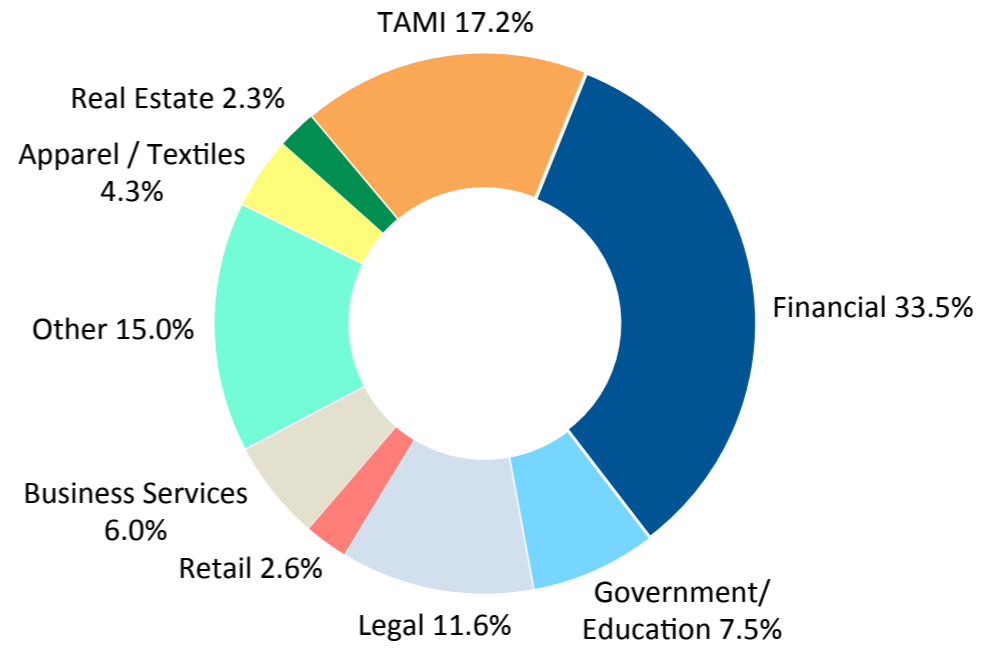
Source: Market Data & Commentary: Cushman & Wakefield and Bureau of Labor Statistics as of 04/30/2014

# Diversity is the Market Driver

## MANHATTAN LEASING



## MANHATTAN OCCUPANCY



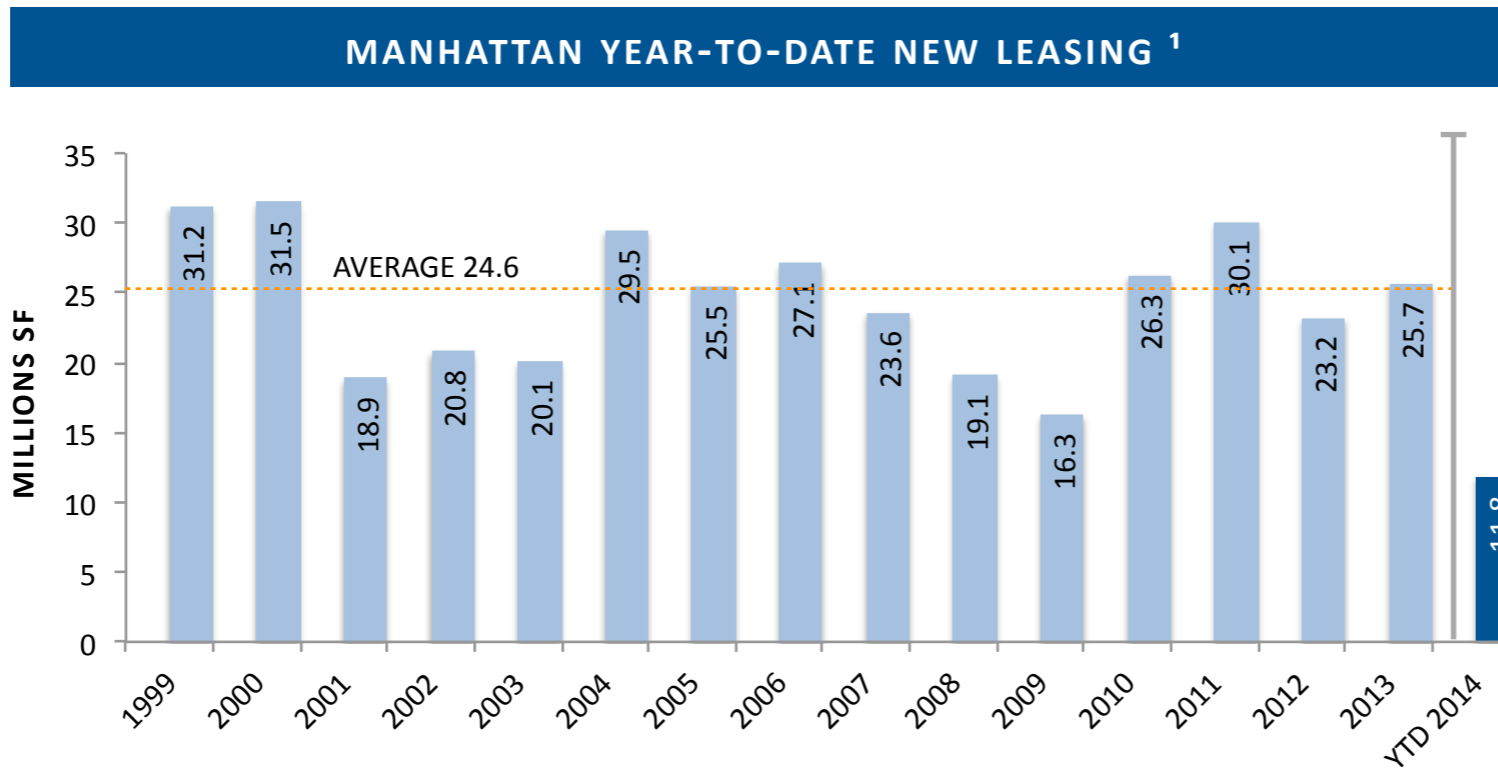
	LEASING	OCCUPANCY	Δ
Apparel / Textiles	9.6%	4.3%	5.3%
TAMI	22.0%	17.2%	4.8%
Government / Education	11.9%	7.5%	4.4%
Legal	12.4%	11.6%	0.8%
Retail	2.9%	2.6%	0.3%
Real Estate	1.6%	2.3%	-0.7%
Business Services	4.8%	6%	-1.2%
Financial	23.8%	33.5%	-9.7%

### LEASING ACTIVITY:

- Broad spectrum of industry activity
- Positive market absorption
- Retail and TAMI offsetting financial services
- Non 'Big Bank' financial services active

Source: Cushman & Wakefield Research as of 03/31/2014 (data includes tenants occupying 5k sf and larger)  
 Note: TAMI is technology, advertising, media, and information

# Healthy Pace of Leasing



	NO. OF LEASES	AS OF 05/25/2014
Leases Out For Signature	4	23,644 sf
Leases In Negotiation	35	804,279 sf
<b>Total LOS and in Negotiation</b>	<b>39</b>	<b>827,923 sf</b>
Term Sheets In Negotiation	40	830,343 sf
<b>Total SL Green Pipeline</b>	<b>79</b>	<b>1,658,266 sf</b>

<sup>1</sup> Source: Cushman & Wakefield as of 04/30/2014  
<sup>2</sup> Data as of 05/30/2014

# Broad Based Demand for Manhattan Properties

	TIME WARNER CENTER	1211 AVENUE OF THE AMERICAS	1 CHASE PLAZA	450 PARK AVENUE	MOBIL BUILDING	1 WALL STREET	222 BROADWAY
							
							
BUYER	GIC	Ivanhoe Cambridge	Fosun International	Oxford	David Werner	Macklowe / Partner TBD	Deutsche Asset & Wealth
SALES PRICE	\$1.3B (\$1,191 psf)	\$1.75B (\$875 psf)	\$725M (\$330 psf)	\$575M (\$1,736 psf)	\$900M <sup>1</sup> (\$525 psf)	\$585M (\$500 psf)	\$500M (\$637 psf)
CAP RATE	4.2%	4.9%	N/A	3.2%	3.8%	N/A	4.0%
NOTES	Closed	51% Interest	Closed	Contract Signed	99 Year Ground Lease	Contract Signed	Recapitalization

<sup>1</sup> Sales price grossed up for ground lease: \$1.45B to \$1.50B

# NYC is a Relative Bargain

RANK	MARKET	RENT PSF
1	London (West End), UK	\$178
2	Hong Kong, China	\$134
3	Moscow, Russia	\$111
4	Paris, France	\$102
5	Beijing, China	\$101
6	Republic of Singapore	\$90
7	Tokyo, Japan	\$87
8	Sydney, Australia	\$87
9	Shanghai, China	\$83
10	Delhi, India	\$81
...	...	...
12	New York (Midtown South),	\$75
13	New York (Midtown), USA	\$68

RANK	MARKET	CLASS 'A' OFFICE SALES PSF
1	Hong Kong, China	\$4,501
2	Republic of Singapore	\$2,812
3	Tokyo, Japan	\$2,267
4	Paris, France	\$2,205
5	London, UK	\$1,910
6	Frankfurt, Germany	\$1,175
7	Sydney, Australia	\$993
8	New York City, USA	\$998
9	Dubai, UAE	\$860
10	Shanghai, China	\$830

Source: JLL Capital Markets Group and Cushman & Wakefield Capital Markets



# Significant Imbedded NOI Growth

GROWTH PORTFOLIO

	PROPERTY	ACQUISITION YEAR	NOI AT STABILIZATION	STABILIZED CASH-ON-COST
2012	1515 Broadway	2011	\$35.2M	7.2%
	100 Church Street	2010	\$25.3M	10.8%
2013	33 Beekman Street	2012	\$ 3.5M	6.8%
	180 Broadway	2010	\$ 2.5M	7.0%
	Williamsburg Resi	2013	\$ 2.0M	6.9%
2014	635/641 6th Avenue	2012	\$13.9M	6.2%
	110 E 42nd Street	2011	\$ 5.5M	5.4%
	650 Fifth	2013	\$ 5.6M	13.7%
	1080 Amsterdam	2012	\$ 1.8M	9.3%
2015	1552/1560 Broadway	2011	\$13.0M	9.3%
	600 Lexington Avenue	2010	\$ 7.5M	6.0%
	280 Park Avenue	2011	\$39.8M	5.9%
	304 Park Avenue South	2012	\$ 9.4M	6.4%
2016	3 Columbus Circle	2011	\$18.9M	6.9%
	180 Maiden Lane	2011	\$14.9M	5.0%
	125 Park Avenue	2010	\$25.7M	6.8%
	131-137 Spring Street	2012	\$11.1M	7.5%
2017	DFR	2012	\$17.7M	5.9%
	10 East 53rd Street	2012	\$11.7M	5.9%
2018	The Olivia	2013	\$22.5M	5.5%

## YEARLY NOI CREATION

- Acquisition - 2013: \$70M (over acquisition NOI)
- 2014: \$48M (incremental)
- 2015 & after: \$40M (incremental)

## PORTFOLIO HIGHLIGHTS

- Total NOI: \$296M<sup>1</sup>
- Implied value: \$6B
- Total cost: \$4B
- Imp. cap rate: 4.75%

**Value Created: \$2B**

<sup>1</sup> Total one year forward NOI from stabilized year. Data reflects SLG Share

# 388 - 390 Greenwich Street

RECENT SL GREEN ACTIVITY

## CITIGROUP LEASE

- Lease secures SLG’s largest tenant
- Early renewal
- Prior LXD: December 2020
- New LXD: December 2035
- Full building triple net lease
- Minimum 22 years of term
- Retain tenant in the face of strong competition from new construction
- Lock-in value of SL Green’s biggest asset

## CONSOLIDATION OF OWNERSHIP

- Acquired 49.4% ownership interest from JV partner
- 100% triple net leased to Citi through 2035
- Option for Citi to acquire properties for \$2.0B between 12/01/2017 to 12/31/2020
- SLG new ownership: 100%
- Gross purchase price: \$1.585B (\$602 psf)
- Going-in cap rate of 7.0% (stabilized cap rate of 6.4%)
- Financing to fund entirety of acquisition price
- 2014 FFO accretion: \$0.14 per share

## FINANCING

- New \$1.45B mortgage
- 4-year initial term with 3 x 1-year as-of-right extension options
- LIBOR + 1.75%



388 - 390 Greenwich Street

# 2014 Acquisitions

## 115 SPRING STREET & 121 GREENE STREET

- Well located SoHo retail condominiums
- Repositioning and repricing plan
- Spring Street: 5,218 sf at grade and basement
- Greene Street: 7,131 sf at grade

## 635 MADISON AVENUE

- Fee interest under 176,535 sf office tower
- Prestigious Plaza District location; Madison Ave. and 59th
- 37-year lease with FMV reset in 2030
- Strategic hedge with 625 Madison Ave. (SLG leasehold)

## 719 SEVENTH AVENUE

- Prime Times Square retail site on 48<sup>th</sup> Street and 7<sup>th</sup> Avenue
- Development rights up to 28,114 sf
- Substantial LED signage opportunity
- Off-market transaction utilizing OP Unit currency



719 Seventh Avenue  
(rendering)



635 Madison Avenue



115 Spring Street  
(rendering)



# 2014 Dispositions

## WEST COAST PORTFOLIO

- 43.74% interest in 3.7M sf Southern Californian office portfolio
- Gross sales price of \$756.0M (\$100.0M for SLG equity)
- Purchased by Blackstone RE Partners VII
- Gain on sale of \$85.5M
- IRR of 11% since 2007

## 21 - 25 WEST 34TH STREET

- 50% interest
- Gross sales price of \$114.9M
- Gain on sale of \$20.9M

## 673 FIRST AVENUE

- 442,794 sf office building (leasehold interest)
- Sold to largest tenant, NYU Hospitals Center
- Gross sales price of \$145.0M (4.7% cap rate)



673 First Avenue



21 - 25 West 34th Street

# Debt and Preferred Equity Portfolio

CURRENT PORTFOLIO	
1st Quarter 2014 Originations	\$160.4M
Carrying Value as of 03/31/2014	\$1.5B
Current Yield	10.4%

INVESTMENT PERFORMANCE SINCE INCEPTION	
Aggregate Investment Amount	\$5.2B
No. of Investments	141
Net Profit	\$798M
NYC IRR <sup>1</sup>	~ 15%

<sup>1</sup> Actual returns of realized investments and expected returns for unrealized investments, as of 03/31/2014



Midtown DPE Assets

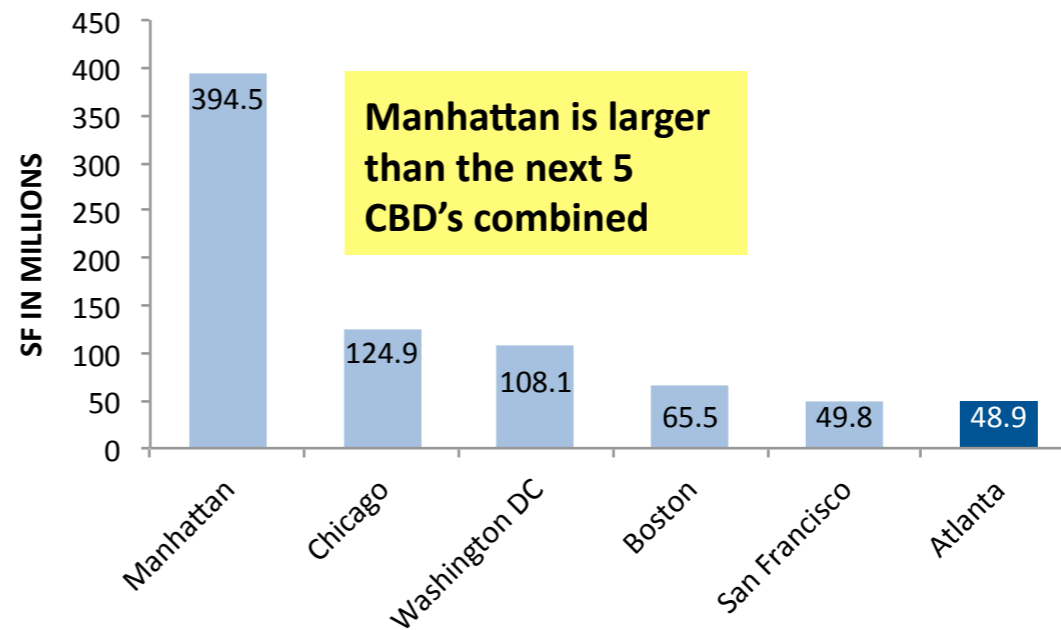
# Drivers of Credit Quality

- 28.4M sf of high quality Manhattan commercial real estate
- 51% investment grade tenants
- 9.3-year average lease term
- NYC is larger than next 5 CBD's combined; providing a large and liquid marketplace
- Experienced management team with an average tenure of 13-years
- Top performing office REIT over the past 15 years
- Demonstrated ability to invest and manage risk
- Proven resilient market
- Attention to balance sheet
- Continued strategic emphasis on improving credit ratings



Manhattan Island

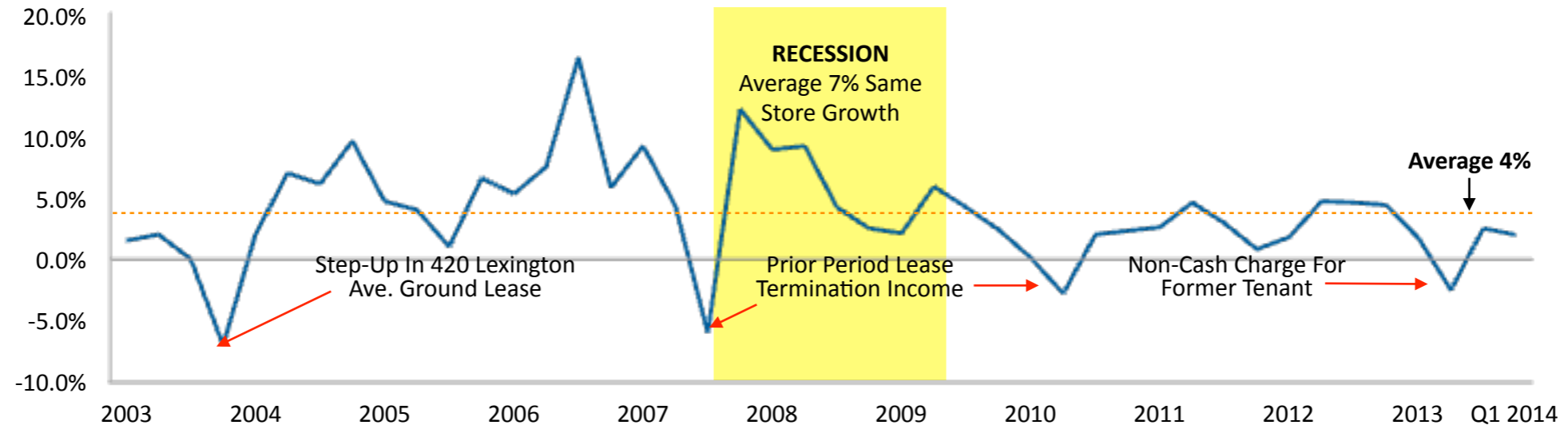
## TOP USA CBD INVENTORY <sup>1</sup>



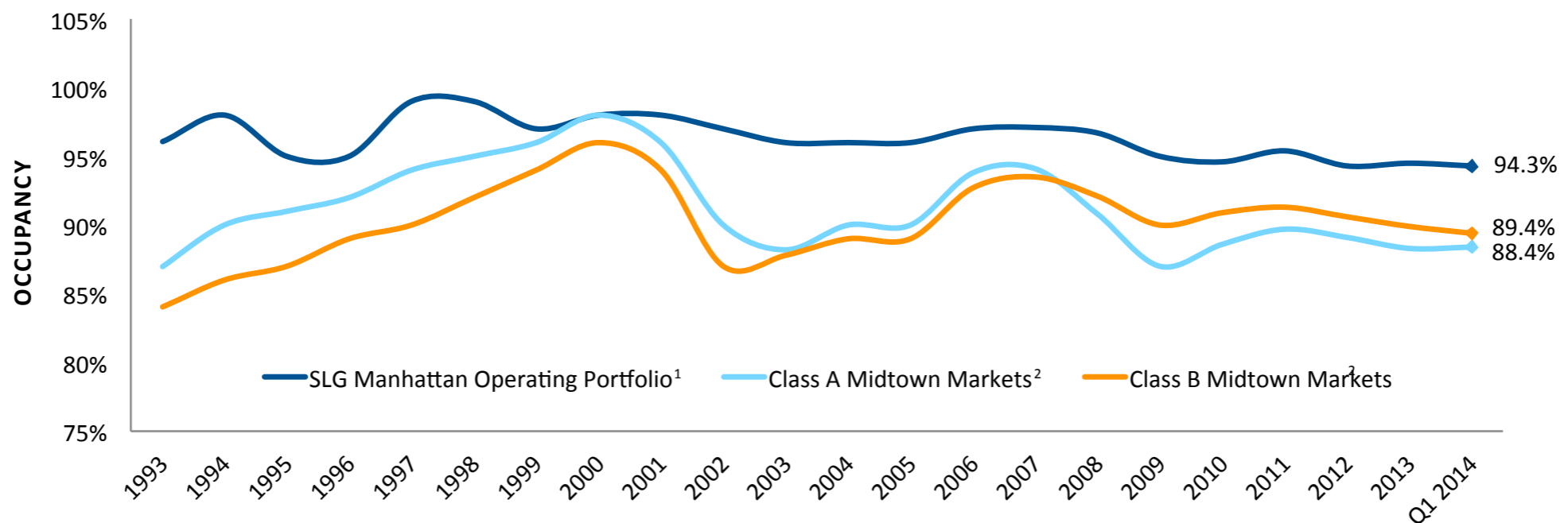
<sup>1</sup> Source: Cushman & Wakefield as of 05/30/2014

# Sustained NOI Growth

## NOI GROWTH THROUGH RECESSION <sup>1</sup>



## HISTORICAL MIDTOWN OCCUPANCY

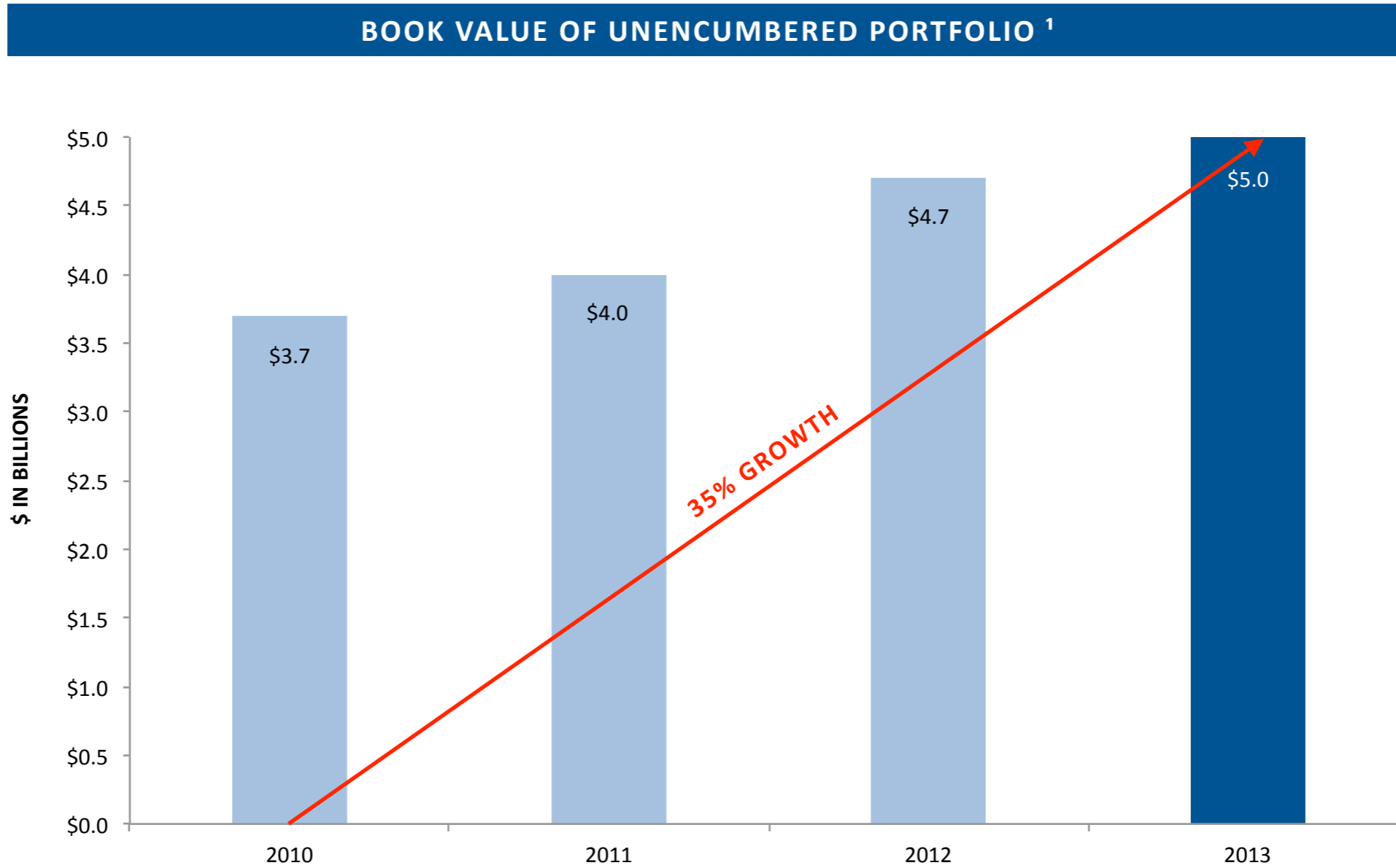


SL GREEN CREDIT QUALITY

<sup>1</sup> Source: SLG Financial Supplement

<sup>2</sup> Source: Cushman & Wakefield Research

# Growing Unsecured Debt Capacity

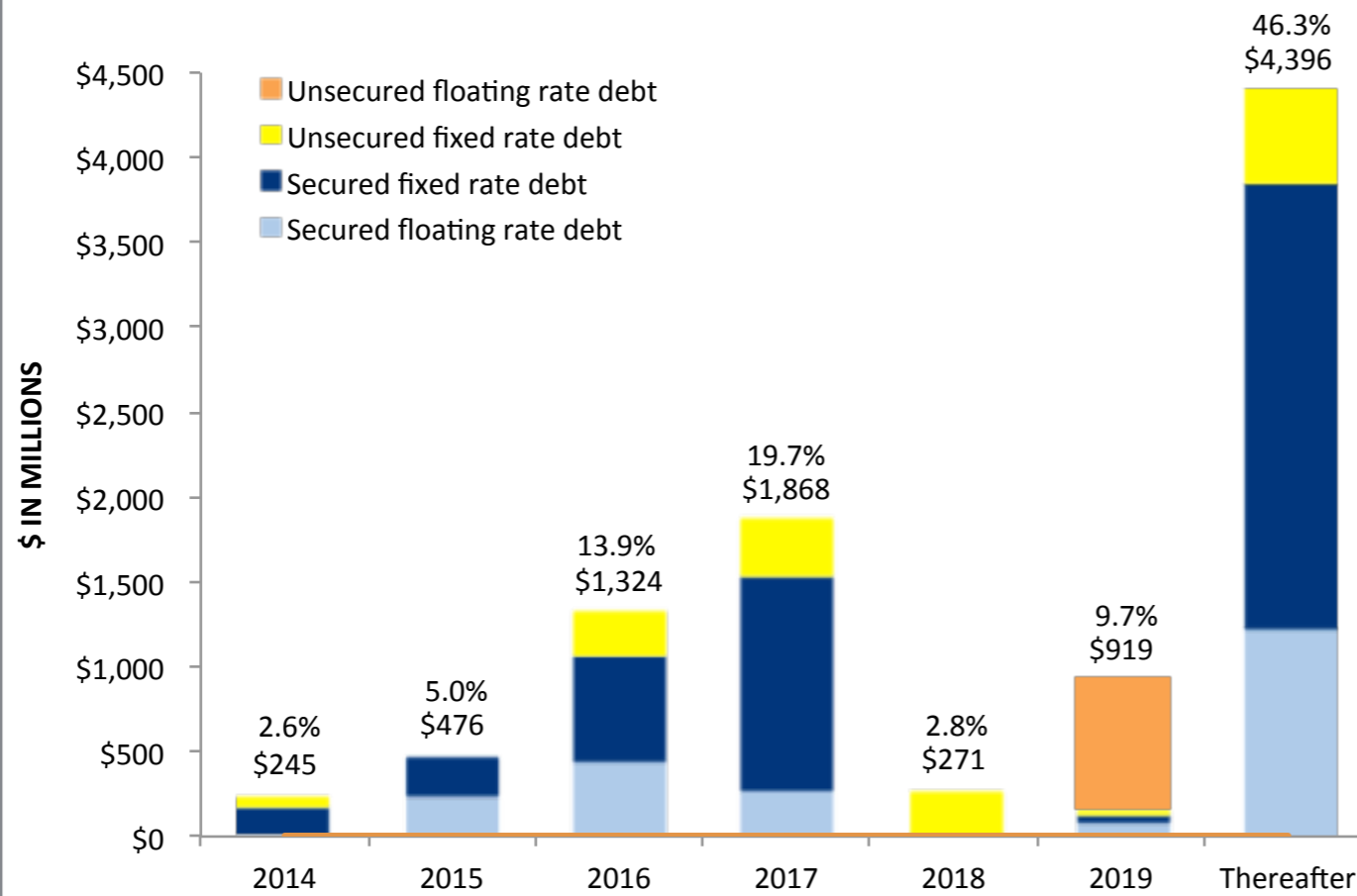


<sup>1</sup> Represents gross book value of unencumbered real estate

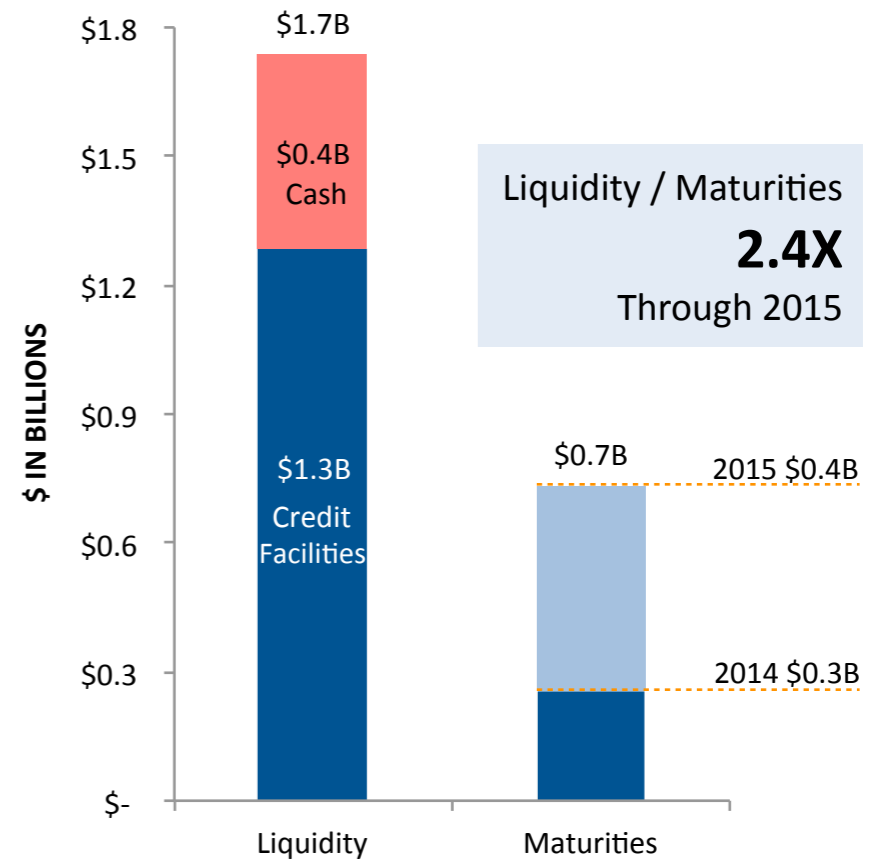


# Limited Debt Maturities & Substantial Liquidity

## DEBT MATURITY SCHEDULE



## LIQUIDITY COVERAGE



Data as of 03/31/2014 pro forma for subsequent events  
 Maturities reflects exercise of as-of-right extension options where applicable

SL GREEN CREDIT QUALITY

