



SL Green Realty Corp. Announces Agreement to Acquire Various Interests in One Park Avenue

NEW YORK--(BUSINESS WIRE)--Sept. 29, 2000--SL Green Realty Corp. (NYSE:SLG) announced today that it has entered into an agreement to acquire various ownership and mortgage interests in the 913,000 square foot, 20-story office building at One Park Avenue.

The property, located between 32nd and 33rd Streets has a full block prominence on Park Avenue in the highly desirable Grand Central South sub-market. SL Green will acquire the fee interest in the Property, which is subject to a ground lease position held by third-parties, and certain mortgage interests in the property for \$233.9 million. As part of the transaction, SL Green is acquiring an option to purchase the ground lease position. The acquisition will be financed with a mortgage loan provided by Lehman Brothers Holdings Inc. and funds provided by the Company's unsecured line of credit.

The property interests are being purchased at a going-in cash yield of approximately 10%, and the transaction is immediately accretive to funds from operation. This yield is expected to increase significantly in future years given that the property's current in-place escalated rents of \$39 per square foot are at least 30% below market.

One of the unique features of this property in the supply constrained Manhattan office market is the 50,000 square foot floor plates that the property features. With over 180,000 square feet comprising four floors, expiring in 2002, SL Green perceives a distinct opportunity for the property to offer a scarce resource: large floor plates in midtown Manhattan.

The building's quality location and large floor plates enable it to attract many prime tenants including The Mt. Sinai & NYU Hospitals Center, Martin E. Segal & Company (the largest privately held actuary in the U.S.), Loews Corporation, and Coty Inc.

Commenting on today's transaction, Chairman, and CEO Stephen L. Green said, "One Park Avenue is a perfect example of our investment strategy at work. The property interests to be acquired will provide long-term contributions to SL Green's cash flow and internal earnings growth. The building encompasses the most valuable elements in today's leasing market, large floor plates, good light and air, and a Park Avenue address. One Park Avenue is located within a ten minute walk of both Grand Central and Penn Stations, securing its position as a core asset in any business environment."

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

To receive SL Green's latest news release and other corporate documents, including the Fourth Quarter Supplemental Data, 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.

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 and industrial real estate markets in New York, competitive market conditions, unanticipated administrative costs, timing of leasing income, general and local economic growth, interest rates and capital market conditions. For further information, please refer to the Company's filing with the Securities and Exchange Commission