



## **SL Green Realty Corp. Announces the Sale of a Partial Interest in 321 West 44th Street to Morgan Stanley Real Estate Fund III, MSREF, Under Its Joint Venture Agreement**

NEW YORK--(BUSINESS WIRE)--April 5, 2000--SL Green Realty Corp. (NYSE:SLG) today announced that they have entered into an agreement to co-develop the repositioning of the company's property at 321 West 44th Street. This transaction represents the second project undertaken by the parties pursuant to their joint venture agreement.

The property, a 203,000 sf building located in the burgeoning Times Square submarket of Manhattan, was acquired by the company in March 1998. The property was contributed to the joint venture on a basis that values the property at \$28.4 million. Simultaneous with the initiation of this joint venture, the venture has received a financing commitment from Lehman Brothers for the acquisition and capital improvement program.

In addition to retaining a significant economic interest in the property, SL Green will also act as the operating partner for the venture, responsible for redevelopment, construction, leasing and management of the property. This is consistent with SL Green's value added strategy. The joint venture will focus on the rehabilitation and the repositioning of the property, continuing the redevelopment program initiated by SL Green.

Like virtually all buildings in the SL Green portfolio, this property is already wired for high speed internet access. The multi-million dollar redevelopment project planned by the joint venture will address all of the major building systems including a new lobby, elevators and corridors. Physical redevelopment will be accompanied by a marketing campaign highlighting the property's Times Square location and state-of-the-art infrastructure.

Michael J. Franco, Director of U.S. Investments for MSREF, said "We are very pleased to have the opportunity to expand our highly successful relationship with SL Green. We believe that Class B properties in Manhattan are an attractive investment and that our new project with SL Green allows us to work once more with this first class management team."

SL Green 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 Manhattan.

The Morgan Stanley Real Estate Fund III, LP, and affiliated real estate funds, is the real estate private equity business of Morgan Stanley Dean Witter (NYSE: MWD) and a leading global real estate investor with approximately \$4 billion in capital commitments and, combined with its predecessor funds, owns interests in more than \$16 billion of real estate assets and companies worldwide.

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](http://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