



## **SL Green Announces Three Major Transactions in Midtown Manhattan**

### ***Agreement to Acquire 125 Park Avenue***

### ***Agreement to Sell Ownership Stake in 1221 Avenue of the Americas***

### ***Formation of Joint Venture at 600 Lexington Avenue***

May 10, 2010 - New York, New York - SL Green Realty Corp. (NYSE: SLG), New York City's largest owner of commercial office properties, today announced three major property transaction agreements that will enhance its market leading position in the Midtown Manhattan market.

The Company reported that it has entered into an agreement to acquire 125 Park Avenue, a prime office tower renovated to a Class A standard, overlooking New York City's Grand Central Terminal, for \$330 million.

In addition, SL Green has reached an agreement to sell its 45% non-managing ownership interest in 1221 Avenue of the Americas to the Canada Pension Plan Investment Board, ("CPPIB"), for a total consideration of approximately \$576 million.

Also, the Company said that it has sold a 45% joint venture ownership stake at 600 Lexington Avenue to CPPIB in connection with the previously announced acquisition of that property. The joint venture agreement will provide that SL Green will be the managing partner and receive typical fees.

Subject, in each case, to the satisfaction of certain closing conditions, the proposed transactions at 600 Lexington Avenue and 1221 Avenue of the Americas are expected to close this month and the proposed transaction at 125 Park Avenue is expected to close during the third quarter of 2010.

The Company indicated that the estimated \$500 million in net proceeds from the proposed sale of its 1221 Avenue of the Americas ownership stake will be re-deployed to provide equity for the proposed acquisitions of 125 Park Avenue and 600 Lexington Avenue, with the remainder used for corporate debt reduction and additional investments.

SL Green's Chief Executive Officer, Marc Holliday said, "We are excited about each of these transactions and believe that they are terrific deals for all parties. In the case of 600 Lexington Avenue, we hope that this transaction marks the beginning of a long and mutually beneficial relationship with CPPIB. We believe the New York City commercial office market is finally turning the corner after a few difficult years, and that we have repositioned our balance sheet effectively to take advantage of emerging opportunities."

SL Green's President and Chief Investment Officer, Andrew Mathias, commented, "For SL Green, the 1221 Avenue of the Americas deal will enable us to dispose of a non-managing ownership interest, monetize our investment gain, free up a significant amount of cash for future investments and further improve our balance sheet. Likewise, the joint venture structure for 600 Lexington Avenue will give us more flexibility to pursue other near-term market opportunities. Also, as Manhattan's largest commercial landlord, with a commanding presence in the Grand Central submarket, we see 125 Park Avenue as a perfect fit with our other area properties."

Mr. Holliday added, "Of the three major midtown office properties coming to the market this year, we have entered into agreements to acquire two of them," he continued. "Not only do we have our own equity capital needed to make these deals, but we continue to be able to take advantage of excellent relationships with many lenders and institutional joint-venture partners who are eager to invest in Manhattan. As a result, we believe we are well-positioned to take advantage of market opportunities now beginning to emerge from the difficulties of the past few years."

Originally known as the Pershing Square Building, 125 Park Avenue is a 26-story, 651,000-square-foot office tower that spans the entire block between 41st and 42nd streets, directly across from the main entrance of Grand Central Terminal. It is home to several large tenants, including Meredith Corporation, FGIC Holdings, Reed Elsevier, Newmark Knight Frank and Canon Business Solutions, and is currently 99% leased. Prior ownership made value-enhancing improvements in the institutional-quality property, including extensive lobby and building systems renovations and façade restoration.

SL Green acquired its ownership interest in 1221 Avenue of the Americas in December 2003. The Company said that when the proposed transaction is consummated, SL Green expects to generate a gain of approximately \$130 million. As the building is

extremely lightly levered, the Company will effectively realize an unlevered internal rate of return of approximately 12%.

On April 15, 2010, SL Green announced that it had entered into an agreement to acquire 600 Lexington Avenue for \$193.0 million, or approximately \$636 per square foot. 600 Lexington Avenue is a 303,515 square foot, 36-story, glass and steel Class A office building situated on the Northwest corner of Lexington Avenue and 52nd Street, which currently is 93.6% leased. With floorplates ranging from approximately 6,800 square feet to 11,700 square feet, stunning views, a modern lobby, excellent access to transportation and recently remodeled elevators, SL Green believes 600 Lexington Avenue is perfectly tailored for full floor boutique tenants.

SL Green was represented by Fried, Frank, Harris, Shriver & Jacobson LLP in connection with the 1221 Avenue of the Americas transaction and by Greenberg Traurig in connection with the 125 Park Avenue transaction and joint venture with CPPIB. Darcy Stacom and William Shanahan from CBRE acted on behalf of the seller in connection with the 125 Park Avenue transaction.

### Company Profile

SL Green Realty Corp. is a self-administered and self-managed real estate investment trust, or REIT, that predominantly acquires, owns, repositions and manages Manhattan office properties. The Company is the only publicly held REIT that specializes in this niche. As of March 31, 2010, the Company owned interests in 30 New York City office properties totaling approximately 24,258,700 square feet, making it New York's largest office landlord. In addition, at March 31, 2010, SL Green held investment interests in, among other things, eight retail properties encompassing approximately 374,812 square feet, three development properties encompassing approximately 399,800 square feet and two land interests, along with ownership interests in 31 suburban assets totaling 6,804,700 square feet in Brooklyn, Queens, Long Island, Westchester County, Connecticut and New Jersey.

To be added to the Company's distribution list or to obtain the latest news releases and other Company information, please visit our website at [www.slgreen.com](http://www.slgreen.com) or contact Investor Relations at 212-594.2700.

### **Forward-looking Statement**

*This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are intended to be covered by the safe harbor provisions thereof. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, including such matters as future capital expenditures, dividends and acquisitions (including the amount and nature thereof), development trends of the real estate industry and the Manhattan, Brooklyn, Queens, Westchester County, Connecticut, Long Island and New Jersey office markets, business strategies, expansion and growth of our operations and other similar matters, are forward-looking statements. These forward-looking statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate.*

*Forward-looking statements are not guarantees of future performance and actual results or developments may materially differ, and we caution you not to place undue reliance on such statements. Forward-looking statements are generally identifiable by the use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," "project," "continue," or the negative of these words, or other similar words or terms.*

*Forward-looking statements contained in this press release are subject to a number of risks and uncertainties which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by forward-looking statements made by us. These risks and uncertainties include the effect of the credit crisis on general economic, business and financial conditions, and on the New York Metro real estate market in particular; dependence upon certain geographic markets; risks of real estate acquisitions, dispositions and developments, including the cost of construction delays and cost overruns; risks relating to structured finance investments; availability and creditworthiness of prospective tenants and borrowers; bankruptcy or insolvency of a major tenant or a significant number of smaller tenants; adverse changes in the real estate markets, including reduced demand for office space, increasing vacancy, and increasing availability of sublease space; availability of capital (debt and equity); unanticipated increases in financing and other costs, including a rise in interest rates; our ability to comply with financial covenants in our debt instruments; our ability to maintain our status as a REIT; risks of investing through joint venture structures, including the fulfillment by our partners of their financial obligations; the continuing threat of terrorist attacks, in particular in the New York Metro area and on our tenants; our ability to obtain adequate insurance coverage at a reasonable cost and the potential for losses in excess of our insurance coverage, including as a result of environmental contamination; and legislative, regulatory and/or safety requirements adversely affecting REITs and the real estate business, including costs of compliance with the Americans with Disabilities Act, the Fair Housing Act and other similar laws and regulations.*

*Other factors and risks to our business, many of which are beyond our control, are described in our filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether*

*as a result of future events, new information or otherwise.*

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