

SL GREEN REALTY CORP  
Form 8-K/A  
December 29, 2004

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K/A**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported):

**October 19, 2004**

**SL GREEN REALTY CORP.**

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

**MARYLAND**

(STATE OF INCORPORATION)

**1-13199**  
(COMMISSION FILE NUMBER)

**13-3956775**  
(IRS EMPLOYER ID. NUMBER)

**420 Lexington Avenue**  
**New York, New York**  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

**10170**  
(ZIP CODE)

**(212) 594-2700**

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(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 registrant under any of the following provisions:

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

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant hereby amends the following items, financial statements, exhibits or other portions of its Current Report on Form 8-K, dated October 19, 2004 (filed with the Securities and Exchange Commission on October 20, 2004), as set forth in the pages attached hereto.

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Item 9.01. Financial Statements And Exhibits

(a) and (b) Financial Statements Of Property Acquired And Pro Forma Financial Information

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Pro Forma Condensed Consolidated Balance Sheet (Unaudited) as of September 30, 2004

Pro Forma Condensed Consolidated Income Statement (Unaudited) for the nine months ended September 30, 2004

Pro Forma Condensed Consolidated Income Statement (Unaudited) for the year ended December 31, 2003

Notes to Pro Forma Financial Information

CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

Revenues and Certain Expenses of 625 Madison Avenue for the nine months ended September 30, 2004 (unaudited) and the year ended December 31, 2003

Notes to Financial Statements

(c) EXHIBITS

99.1. Consent of Weiser LLP

SIGNATURES

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

SL GREEN REALTY CORP.

By:

/s/ Gregory F. Hughes  
Gregory F. Hughes  
Chief Financial Officer

Date: December 29, 2004

**SL GREEN REALTY CORP.**

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

On October 19, 2004, the Company acquired 625 Madison Avenue for \$231.5 million, or approximately \$415 per square foot. The approximately 558,000 square feet, 17-story building contains 53,000 square feet of retail space and is 68% occupied. The property was acquired with cash and the issuance of approximately 300,000 common units in SL Green Operating Partnership, L.P., valued at \$50.50 per unit. The building is also encumbered by a \$102 million mortgage loan held by the New York State Teacher's Retirement System that SL Green assumed upon closing. The mortgage has a fixed annual interest rate of 6.27% and will mature in November 2015. The property being acquired is subject to a ground lease expiring on June 30, 2054, after exercise of all options.

On July 28, 2004, we acquired the property located at 750 Third Avenue and a 30% interest in the property located at 485 Lexington Avenue (collectively the TIAA Acquisition).

The unaudited pro forma condensed consolidated balance sheet of SL Green Realty Corp. (the Company) as of September 30, 2004 has been prepared as if the Company's acquisition of the property located at 625 Madison Avenue had been consummated on September 30, 2004. The unaudited pro forma condensed consolidated income statements for the year ended December 31, 2003 and the nine months ended September 30, 2004 are presented as if the Company's acquisition of the properties located at 625 Madison Avenue, 750 Third Avenue and the 30% interest in 485 Lexington Avenue occurred on January 1, 2003 and the effect was carried forward through the year and the nine month period.

The pro forma condensed consolidated financial statements do not purport to represent what our financial position or results of operations would have been assuming the completion of these acquisitions had occurred on January 1, 2003 and for the period indicated, nor do they purport to project our financial position or results of operations at any future date or for any future period. These pro forma condensed consolidated financial statements should be read in conjunction with our 2003 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004.

**SL GREEN REALTY CORP.**

## PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2004

(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	<b>SL GREEN REALTY CORP. HISTORICAL (A)</b>	<b>PRO FORMA ADJUSTMENTS (B)</b>	<b>SL GREEN REALTY CORP. PROFORMA</b>
<b>ASSETS:</b>			
Commerical real estate properties at cost:			
Land and land interests	\$ 206,824	\$	\$ 206,824
Buildings and improvements	1,055,811		1,055,811
Building leasehold	225,207	231,500	456,707
Property under capital lease	12,208		12,208
	1,500,050	231,500	1,731,550
Less accumulated depreciation	(163,734)		(163,734)
	1,336,316	231,500	1,567,816
Assets held for sale	125,322		125,322
Cash and cash equivalents	23,299		23,299
Restricted cash	45,938		45,938
Tenant and other receivables, net of allowance of \$8,563	18,109		18,109
Related party receivables	3,935		3,935
Deferred rents receivable, net of allowance for tenant credit loss of \$6,141	58,735		58,735
Structured finance investments	325,807		325,807
Investments in unconsolidated joint ventures	549,654		549,654
Deferred costs, net	50,574		50,574
Other assets	53,736		53,736
<b>Total Assets</b>	<b>\$ 2,591,425</b>	<b>\$ 231,500</b>	<b>\$ 2,822,925</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY:</b>			
Mortgage notes payable	\$ 513,354	\$ 102,000	\$ 615,354
Revolving credit facilities	188,900	114,000	302,900
Term loans	425,000		425,000
Derivative instruments at fair value	4,822		4,822
Accrued interest payable	5,015		5,015
Accounts payable and accrued expenses	62,692		62,692
Deferred revenue/ gain	13,156		13,156
Capitalized lease obligations	16,385		16,385
Deferred land lease payable	15,646		15,646
Dividend and distributions payable	25,569		25,569
Liabilities related to assets held for sale	1,822		1,822
Security deposits	20,473		20,473
<b>Total liabilities</b>	<b>1,292,834</b>	<b>216,000</b>	<b>1,508,834</b>
Commitments and Contingencies			
Minority interest in Operating Partnership	54,297	15,500	69,797
<b>STOCKHOLDERS EQUITY</b>			

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Series C preferred stock, \$0.01 par value, \$25.00 liquidation preference, 6,300 issued and outstanding at September 30, 2004	151,981	151,981
Series D preferred stock, \$0.01 par value, \$25.00 liquidation preference, 2,450 issued and outstanding at September 30, 2004	96,321	96,321
Common stock, \$0.01 par value, 100,000 shares authorized, 40,547 issued and outstanding at September 30, 2004	405	405
Additional paid in capital	907,638	907,638
Deferred compensation plans	(16,329)	(16,329)
Accumulated other comprehensive income	2,548	2,548
Retained earnings	101,730	101,730
Total stockholders equity	1,244,294	1,244,294
Total liabilities and stockholders equity	\$ 2,591,425	\$ 231,500 \$ 2,822,925

*The accompanying notes are an integral part of these pro forma financial statements.*

**SL GREEN REALTY CORP.**

## PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2004

(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	<b>SL GREEN REALTY CORP. HISTORICAL (A)</b>	<b>625 MADISON AVENUE AND TIAA ACQUISITION (B)</b>	<b>SL GREEN REALTY CORP. PRO FORMA ADJUSTMENTS</b>	<b>SL GREEN REALTY CORP. PRO FORMA</b>
<b>REVENUES:</b>				
Rental revenue	\$ 176,344	\$ 24,595	\$ 2,123(C)	\$ 203,062
Escalation and reimbursement revenues	31,849	3,650	(432)(D)	35,067
Signage rent	198			198
Investment income	22,013			22,013
Preferred equity income	8,660			8,660
Other income	14,433			14,433
<b>Total revenues</b>	<b>253,497</b>	<b>28,245</b>	<b>1,691</b>	<b>283,433</b>
<b>EXPENSES:</b>				
Operating expenses including \$5,979 to affiliates	64,833	8,394	(4,243)(D)	68,984
Real estate taxes	34,917	9,447	(3,686)(D)	40,678
Ground rent	11,490	3,459		14,949
Interest	45,645	5,441	6,256(E)	57,342
Depreciation and amortization	37,058		6,023(F)	43,081
Marketing, general and administrative	20,944	665	(665)(D)	20,944
<b>Total expenses</b>	<b>214,887</b>	<b>27,406</b>	<b>3,685</b>	<b>245,978</b>
Income (loss) before equity in net income of unconsolidated joint ventures, and minority interest	38,610	839	(1,994)	37,455
Equity in net income of unconsolidated joint ventures	32,017	(1,988)	3,076(G)	33,105
Income (loss) before minority interest	70,627	(1,149)	1,082	70,560
Equity in net gain on sale of interest in unconsolidated joint venture	22,012			22,012
Minority interest in operating partnership	(4,478)	71	(1,353)(H)	(5,760)
Income (loss) from continuing operations	88,161	(1,078)	(271)	86,812
Income from discontinued operations, net of minority interest	4,775			4,775



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Net income (loss)	92,936	(1,078)	(271)	91,587
Preferred stock dividends	(11,289)			(11,289)
Net income (loss) available to common shareholders	\$ 81,647	\$ (1,078)	\$ (271)	\$ 80,298
<b>BASIC EARNINGS PER SHARE:(I)</b>				
Net income (loss) before income from discontinued operations	\$ 1.98		\$	1.95
Income from discontinued operations	0.13			0.13
Net income	\$ 2.11		\$	2.08
<b>DILUTED EARNINGS PER SHARE:(I)</b>				
Net income (loss) before income from discontinued operations	\$ 1.91		\$	1.90
Income from discontinued operations	0.12			0.11
Net income	\$ 2.03		\$	2.01
Dividends per common share	\$ 1.50		\$	1.50
Basic weighted average common shares outstanding	38,670			38,670
Diluted weighted average common shares and common share equivalents outstanding	42,566			42,872

*The accompanying notes are an integral part of these pro forma financial statements.*

**SL GREEN REALTY CORP.**

## PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2003

(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	SL GREEN REALTY CORP. HISTORICAL (A)	625 MADISON AVENUE AND TIAA ACQUISITIONS (B)	SL GREEN REALTY CORP. PRO FORMA ADJUSTMENTS	SL GREEN REALTY CORP. PRO FORMA
<b>REVENUES:</b>				
Rental revenue	\$ 233,033	\$ 41,930	\$ 4,861(C)	279,824
Escalation and reimbursement revenues	42,223	7,027	(1,254)(D)	47,996
Signage rent	968			968
Investment income	17,988			17,988
Preferred equity income	4,098			4,098
Other income	10,647			10,647
<b>Total revenues</b>	<b>308,957</b>	<b>48,957</b>	<b>3,607</b>	<b>361,521</b>
<b>EXPENSES:</b>				
Operating expenses including \$8,081 to affiliates	80,460	16,454	(10,147)(D)	86,767
Real estate taxes	44,524	14,987	(7,445)(D)	52,066
Ground rent	13,562	4,613		18,175
Interest	45,493	8,873	7,513(E)	61,879
Depreciation and amortization	47,282		9,730(F)	57,012
Marketing, general and administrative	17,131	1,417	(1,417)(D)	17,131
<b>Total expenses</b>	<b>248,452</b>	<b>46,344</b>	<b>(1,766)</b>	<b>293,030</b>
Income (loss) before equity in net income from affiliates, equity in net income of unconsolidated joint ventures, gain on sale, minority interest, and discontinued operations	60,505	2,613	5,373	68,491
Equity in net loss from affiliates	(196)			(196)
Equity in net income of unconsolidated joint ventures	14,870	(4,262)	6,406(G)	17,014
Equity in net gain on sale of interest in unconsolidated joint venture	3,087			3,087
Income (loss) before minority interest	78,266	(1,649)	11,779	88,396
Minority interest	(4,624)	124	(2,198)(H)	(6,698)
Income (loss) from continuing operations	73,642	(1,525)	9,581	81,698
Income from discontinued operations, net of minority interest	3,191			3,191
Gain on sale of discontinued operations, net of minority interest	21,326			21,326
<b>Net (loss) income</b>	<b>98,159</b>	<b>(1,525)</b>	<b>9,581</b>	<b>106,215</b>
Preferred stock dividends	(7,318)			(7,318)
Preferred stock accretion	(394)			(394)

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Net income (loss) available to common shareholders	\$	90,447	\$	(1,525)	\$	9,581	\$	98,503
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**BASIC EARNINGS PER SHARE:(I)**

Net income (loss) before gain on sale, and income from discontinued operations	\$	1.95	\$	2.20
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Income from discontinued operations	0.10	0.10
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Gain on sales	0.75	0.75
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Net income	\$	2.80	\$	3.05
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**DILUTED EARNINGS PER SHARE:(I)**

Net income (loss) before gain on sale, and income from discontinued operations	\$	1.90	\$	2.16
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Income from discontinued operations	0.09	0.09
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Gain on sales	0.67	0.66
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Net income	\$	2.66	\$	2.91
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Dividends per common share	\$	1.895	\$	1.895
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Basic weighted average common shares outstanding	32,265	32,265
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Diluted weighted average common shares and common share equivalents outstanding	38,970	39,277
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*The accompanying notes are an integral part of these pro forma financial statements.*

**SL GREEN REALTY CORP.**

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2004

(UNAUDITED AND IN THOUSANDS)

(A) To reflect the unaudited condensed consolidated balance sheet of SL Green Realty Corp. at September 30, 2004 as reported on the Company's Quarterly Report on Form 10-Q.

(B) To reflect the purchase price allocation of the Company's acquisition of the property located at 625 Madison Avenue as of September 30, 2004 for \$231,500. There was no independent valuation performed on this property. The Company intends to account for the acquisition in accordance with SFAS 141 and 142. We are currently in the process of analyzing the fair value of our in-place leases; and, consequently, no value has yet been assigned to the leases. Therefore, the purchase price allocation is preliminary and subject to change. The purchase was funded through the Company's unsecured revolving credit facility, the assumption of a \$102,000 first mortgage and the issuance of units of limited partnership interest valued at \$15,500.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

NINE MONTHS ENDED SEPTEMBER 30, 2004

(UNAUDITED AND IN THOUSANDS)

(A) To reflect the consolidated statement of income of SL Green Realty Corp. for the nine month period ended September 30, 2004 as reported on the Company's Quarterly Report on Form 10-Q.

(B) To reflect the historical operations of 625 Madison Avenue, 750 Third Avenue and the 30% interest in 485 Lexington Avenue for the nine month period ended September 30, 2004.

(C) Rental income for 625 Madison Avenue adjusted to reflect straight-line amounts as of January 1, 2003 and for 750 Third Avenue adjusted to reflect the master lease as of January 1, 2003.

(D) To eliminate revenues and expenses not being assumed.

(E) To record interest expense for borrowings under the revolving credit facilities (\$383,825 at the weighted average interest rate of 2.72%) and the assumed first mortgage (\$102,000) at the fixed rate of 6.27%.

(F) To reflect straight-line depreciation for 625 Madison Avenue and 750 Third Avenue based on an estimated useful life of 40 years.

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(G) To adjust for SL Green's 30% equity interest in the net income of the joint venture:

	485 LEXINGTON ACQUISITION HISTORICAL (a)	485 Lexington PRO FORMA ADJUSTMENTS	SL GREEN PRO FORMA ADJUSTMENTS	485 Lexington PRO FORMA
<b>REVENUES:</b>				
Rental revenue	\$ 1,167	\$ (1,167)	\$ 8,636(b)	\$ 8,636
Escalation and reimbursement revenues	22	(22)	(c)	
<b>Total revenues</b>	<b>1,189</b>	<b>(1,189)</b>	<b>8,636</b>	<b>8,636</b>
<b>EXPENSES:</b>				
Operating expenses	4,592	(4,592)	(c)	
Real estate taxes	3,073	(3,073)	(c)	
Interest			2,759(d)	2,759
Depreciation and amortization			2,250(e)	2,250
Marketing, general and administrative	149	(149)	(c)	
<b>Total expenses</b>	<b>7,814</b>	<b>(7,814)</b>	<b>5,009</b>	<b>\$ 5,009</b>
<b>Net income</b>	<b>\$ (6,625)</b>	<b>\$ 6,625</b>	<b>\$ 3,627</b>	<b>\$ 3,627</b>
SL Green's 30% of joint venture pro forma net income			(f) \$	1,088

(a) This represent the historical financial statements of 485 Lexington Avenue.

(b) Rental income from 485 Lexington was increased to reflect pro forma straight line amounts as of January 1, 2003 (\$8,636) and the historic straight line amount (\$1,167) was deducted.

(c) To eliminate all revenue and expenses not being assumed.

(d) To reflect interest expense on \$175,585 of new property level mortgage debt (\$2,759) at a weighted average annual rate of 3.14%.

(e) To reflect straight line depreciation of \$4,500 per annum for 485 Lexington based on an estimated useful life of 40 years and a purchase price of \$225,000.

(f) To reflect the Company's 30% equity interest in the pro forma net income of 485 Lexington.

(H) To reflect the minority shareholders interest of 6.19% in the operating partnership.

(I) Basic income per common share is calculated based on 38,670 weighted average common shares outstanding and diluted income per common share is calculated based on 42,872 weighted average common shares and common share equivalents outstanding.

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YEAR ENDED DECEMBER 31, 2003

NOTES TO PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

(UNAUDITED AND IN THOUSANDS)

(A) To reflect the consolidated statement of income of SL Green Realty Corp. for the year ended December 31, 2003 as reported on the Company's Annual Report on Form 10-K.

(B) To reflect the historical operations of 625 Madison Avenue, 750 Third Avenue and the 30% interest in 485 Lexington Avenue for the year ended December 31, 2003.

(C) Rental income for 625 Madison Avenue adjusted to reflect straight-line amounts as of January 1, 2003 and for 750 Third Avenue adjusted to reflect the master lease as of January 1, 2003.

(D) To eliminate revenues and expenses not being assumed.

(E) To record interest expense for borrowings under the revolving credit facilities (\$383,825 at the weighted average interest rate of 2.60%) and the assumed first mortgage (\$102,000) at the fixed rate of 6.27%.

(F) To reflect straight-line depreciation for 625 Madison Avenue and 750 Third Avenue based on an estimated useful life of 40 years.

(G) To adjust for SL Green's 30% equity interest in the net income of the joint venture:

	485 LEXINGTON ACQUISITION HISTORICAL (a)	485 LEXINGTON PRO FORMA ADJUSTMENTS	SL GREEN PRO FORMA ADJUSTMENTS	485 LEXINGTON PRO FORMA
<b>REVENUES:</b>				
Rental revenue	\$ 2,299	\$ (2,299)	\$ 17,272(b)	\$ 17,272
Escalation and reimbursement revenues	122	(122)	(c)	
<b>Total revenues</b>	<b>2,421</b>	<b>(2,421)</b>	<b>17,272</b>	<b>17,272</b>



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EXPENSES:

Operating expenses	10,055	(10,055)	(c)	
Real estate taxes	6,206	(6,206)	(c)	
Interest			5,624(d)	5,624
Depreciation and amortization			4,500(e)	4,5