



## **SL Green and SITQ complete \$1.575 billion acquisition of the 2.6 million s/f Citi Towers**

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A venture of SL Green Realty Corp. and SITQ recently closed on the acquisition of the Citi Towers for \$1.575 billion, or \$598 per s/f. The two downtown office buildings are located at 388 and 390 Greenwich St.

The buildings, which are adjacent and total over 2.6 million s/f, are 100% occupied by Citigroup, which will remain in place under the terms of a 13-year triple-net lease that provides for annual rental increases.

Under the joint venture, SL Green has a 50.6% interest and SITQ has a 49.4% interest. The investment is immediately accretive to SL Green's earnings and was structured in a tax efficient manner in order to reinvest proceeds from the intended sale of 1250 Broadway in accordance with 1031 guidelines.

The two buildings, completed in the late 1980s, form a campus located on the Hudson River Waterfront that straddles the thriving Tribeca and World Financial Center submarkets and commands one of the New York Harbor's most spectacular views. Amenities at the 40 story 388 Greenwich St. headquarters-quality office building include full-service dining facilities, fitness center, medical center, conference center, day care and an outdoor park area. 390 Greenwich St. features 10 stories of trading facilities and offices with floor plates ranging from over 72,000 to over 93,000 s/f.

SL Green chief executive officer, Marc Holliday, said, "This acquisition is a terrific investment for us - with attractive low-rate committed financing. In addition to normal rental income, our innovative joint venture structure with SITQ provides for fees and promotes that will enhance SL Green's returns. Completed in a very short time frame, this set of transactions further demonstrates SL Green's well-known ability to identify attractive deal opportunities and then get them done. Quick and certain execution are an important advantage which helps us to stand out in the marketplace. This transaction also reinforces our reputation as a preferred landlord to Citigroup."

Mortgage financing for the transaction has been provided by Westdeutsche ImmobilienBank AG and PB Capital Corp., and arranged by Cushman & Wakefield Sonnenblick-Goldman, LLC.

The law firms of Fried, Frank, Harris, Shriver & Jacobson LLP and Greenberg Traurig represented SL Green.

SL Green is a self-administered and self-managed real estate investment trust (REIT) that predominantly acquires, owns, repositions and manages area office properties. The company owns 31 city office properties totaling 22.353 million s/f.