SL GREEN REALTY CORP Form 10-Q November 09, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2007

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-13199

SL GREEN REALTY CORP.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

420 Lexington Avenue, New York, New York

(Address of principal executive offices)

13-3956775

(I.R.S. Employer Identification No.)

10170

(Zip Code)

(212) 594-2700

(Registrant s telephone number, including area code)

indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject
o such filing requirements for the past 90 days. YES x NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

The number of shares outstanding of the registrant s common stock, \$0.01 par value, was 59,232,036 as of October 31, 2007.

SL GREEN REALTY CORP.

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

SL Green Realty Corp.

Condensed Consolidated Balance Sheets

(Amounts in thousands, except per share data)

Building and improvements	9,986 1,970 0,995 2,208 5,159 9,436) 5,723 7,178 2,272
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Capitalized lease obligation16,5041Deferred land leases payable16,8731Dividend and distributions payable47,2384Security deposits35,7892	3,721
Deferred land leases payable16,8731Dividend and distributions payable47,2384Security deposits35,7892	5,721
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Security deposits 35,789	0,938
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,	0,000
Total liabilities 6,051,418 2,10	9,451
Commitments and Contineensies	
Commitments and Contingencies	
Minarity interest in Operating Posts while	1 721
	1,731
Minority interests in other partnerships 595,782 5	6,162
Stockholders Equity	
Series C preferred stock, \$0.01 par value, \$25.00 liquidation preference, 6,300 issued	1 001
	1,981
Series D preferred stock, \$0.01 par value, \$25.00 liquidation preference, 4,000 issued	C 221
	5,321
Common stock, \$0.01 par value 160,000 shares authorized and 59,989 and 49,840	
issued and outstanding at September 30, 2007 and December 31, 2006, respectively	
(including 776 shares at September 30, 2007 held in Treasury) 598	400
	498
Treasury stock at cost (94,071)	498 9,893

Accumulated other comprehensive income	6,961	13,971
Retained earnings	709,474	322,219
Total stockholders equity	3,790,111	2,394,883
Total liabilities and stockholders equity	\$ 10,516,189	\$ 4,632,227

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

SL Green Realty Corp.

Condensed Consolidated Statements of Income

(Unaudited, and amounts in thousands, except per share data)

	Three mon Septemb 2007	2006	Nine mont Septeml 2007	d 2006
Revenues				
Rental revenue, net	\$ 190,525	\$ 85,944	\$ 519,206	\$ 242,031
Escalation and reimbursement	31,785	18,225	90,119	46,022
Preferred equity and investment income	21,856	15,978	71,008	46,762
Other income	15,040	9,441	128,129	30,631
Total revenues	259,206	129,588	808,462	365,446
Expenses				
Operating expenses including approximately \$3,600, \$10,595 (2007) and \$3,400, \$9,600 (2006) paid to				
affiliates	58,245	31,597	160,815	84,264
Real estate taxes	32,580	17,922	97,782	52,643
Ground rent	8,674	4,846	23,705	14,687
Interest	69,366	23,386	189,552	62,405
Amortization of deferred financing costs	1,994	1,140	14,537	3,096
Depreciation and amortization	49,957	18,020	131,938	49,813
Marketing, general and administrative	22,224	13,829	80,602	40,072
Total expenses	243,040	110,740	698,931	306,980
Income from continuing operations before equity in				
net income of unconsolidated joint ventures, minority				
interest and discontinued operations	16,166	18,848	109,531	58,466
Equity in net income from unconsolidated joint				
ventures	11,302	9,679	32,715	30,243
Income from continuing operations before minority				
interest and discontinued operations	27,468	28,527	142,246	88,709
Equity in net gain on sale of interest in unconsolidated				
joint ventures/ real estate			31,509	
Minority interest in other partnerships	(4,025)	(1,392)	(12,603)	(3,359)
Minority interest in Operating Partnership attributable				
to continuing operations	(388)	(1,246)	(5,948)	(3,447)
Income from continuing operations	23,055	25,889	155,204	81,903
Net income from discontinued operations, net of				
minority interest	268	3,138	4,572	10,074
Gain on sale of discontinued operations, net of				
minority interest	80,214	94,631	367,007	94,410
Net income	103,537	123,658	526,783	186,387
Preferred stock dividends	(4,969)	(4,969)	(14,907)	(14,906)
Net income available to common stockholders	\$ 98,568	\$ 118,689	\$ 511,876	\$ 171,481
Basic earnings per share:				
Net income from continuing operations before				
discontinued operations	\$ 0.31	\$ 0.46	\$ 1.87	\$ 1.53
Net income from discontinued operations		0.07	0.08	0.23
Gain on sale of discontinued operations, net of				
minority interest	1.35	2.09	6.26	2.16
Gain on sale of unconsolidated joint venture			0.52	
Net income available to common stockholders	\$ 1.66	\$ 2.62	\$ 8.73	\$ 3.92

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Diluted earnings per share:

Net income from continuing operations before				
discontinued operations	\$ 0.30	\$ 0.45 \$	1.85	\$ 1.48
Net income from discontinued operations		0.07	0.08	0.22
Gain on sale of discontinued operations, net of				
minority interest	1.34	2.01	6.18	2.08
Gain on sale of unconsolidated joint venture			0.51	
Net income available to common stockholders	\$ 1.64	\$ 2.53 \$	8.62	\$ 3.78

Dividends per share