SL GREEN REALTY CORP
Form 424B1
September 20, 2011

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Filed pursuant to Rule 424(b)(1)
Registration No. 333-163914

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)	Amount to Be Registered(2)	Proposed Maximum Offering Price Per Share(3)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(4)
Common Stock, par value $0.01 per share	218,324	$65.91	$14,389,734.84	$1,671

(1) This registration statement relates to the resale or other distribution by the selling stockholders named herein of up to 218,324 shares of our common stock, par value $0.01 per share (the "Common Stock").

(2) This registration statement also relates to such additional shares of Common Stock as may be issued in connection with a stock split, stock dividend or similar transaction, pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act").

(3) Calculated in accordance with Rule 457(c) under the Securities Act, based on the average of the high and low prices of the Common Stock on the New York Stock Exchange on September 13, 2011.

(4) Calculated in accordance with Rule 457(r) under the Securities Act. Payment of the registration fee at the time of filing of the registrant's registration statement on Form S-3 filed with the Securities and Exchange Commission on December 22, 2010 (File No. 333-163914), was deferred pursuant to Rules 456(b) and 457(r) of the Securities Act, and is paid herewith. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in such registration statement.

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 17, 2011)

SL Green Realty Corp.

218,324 shares Common Stock

This prospectus supplement relates to the sale of up to 218,324 shares of our common stock, par value $0.01 per share, or the Common Stock, and supplements and amends the prospectus dated June 17, 2011. This prospectus supplement, together with the prospectus described

above, may be used by the selling stockholders we identify in this prospectus supplement to resell shares of our Common Stock that were issued as a portion of the consideration paid for the assignment of certain ownership interests in a commercial real estate property to an affiliate of the Company.

The prices at which the selling stockholders may sell these shares will be determined by the prevailing market price for shares of our Common Stock or in negotiated transactions. We cannot predict when or in what amounts the selling stockholders may sell any of the shares offered by this prospectus supplement. We will not receive any of the proceeds from the sale of these shares.

Our Common Stock is listed on the New York Stock Exchange, or the NYSE, under the symbol "SLG." The last reported sale price of our Common Stock on September 19, 2011 was $69.17 per share.

Investing in our Common Stock involves risks. See "Risk Factors" beginning on page S-1 of this prospectus supplement, page 3 of the accompanying prospectus and page 10 of our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is incorporated by reference into this prospectus supplement.

Neither the Securities and Exchange Commission, or the Commission, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is September 20, 2011.

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You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or which we or the selling stockholders provide to you. We have not, and the selling stockholders have not, authorized anyone to provide you with additional or different information. If anyone provided you with additional or different information, you should not rely on it. We are not, and the selling stockholders are not, making an offer to sell these securities in any jurisdiction where their offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which adds to and updates information contained in the accompanying prospectus as well as the documents incorporated by reference into this prospectus supplement. The second part, the accompanying prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the Common Stock the selling stockholders are offering. To the extent any inconsistency or conflict exists between the information included in this prospectus supplement and the information included in the accompanying prospectus or any information incorporated by reference, the information contained in this prospectus supplement updates and supersedes such information. The information incorporated by reference into this prospectus supplement contains important business and financial information about us that is not included in, or delivered with, this prospectus supplement.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information contained in this prospectus supplement under the heading "Where You Can Find More Information; Incorporation by Reference" which supersedes the information under the heading "Where You Can Find More Information; Incorporation by Reference" in the accompanying prospectus.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein include 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 prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein 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, Long Island, Westchester County, Connecticut 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 prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein 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 Metropolitan area 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;

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- risks relating to debt and preferred equity 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 or our subsidiaries' ability to comply with financial covenants in our debt instruments;
- our ability to maintain our status as a REIT for federal income tax purposes, our operating partnership's ability to satisfy the rules in order for it to qualify as a partnership for federal income tax purposes, the ability of certain of our subsidiaries to qualify as REITs and certain of our subsidiaries to qualify as taxable REIT subsidiaries for federal income tax purposes and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules;
- 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 Metropolitan 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 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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RISK FACTORS

Any investment in our Common Stock involves a high degree of risk. You should carefully consider the risks described below and all of the information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase our Common Stock. In addition, you should carefully consider, among other things, the section entitled "Risk Factors" beginning on page 10 in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and in other documents that we subsequently file with the Commission, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the following risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our common stock could decline, and you may lose all or part of your investment in our Common Stock.

Future sales or issuances of our Common Stock in the public markets, or the perception of such sales, could depress the trading price of our Common Stock.

The sale of a substantial number of shares of our Common Stock or other equity related securities in the public markets, or the perception that such sales could occur, could depress the market price of our Common Stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of Common Stock or other equity-related securities would have on the market price of our Common Stock.

The trading price of our Common Stock has been and may continue to be subject to wide fluctuations.

Between August 31, 2010 and September 1, 2011, the closing sale price of our Common Stock on the NYSE ranged from $60.28 to $90.01 per share. Our stock price may fluctuate in response to a number of events and factors, such as those described elsewhere in this "Risk Factors" section and those events described in or incorporated by reference into this prospectus supplement. Additionally, the amount of our leverage may hinder the demand for our Common Stock, which could have a material adverse effect on the market price of our Common Stock.

USE OF PROCEEDS

We will not receive any proceeds from the sale of shares by the selling stockholders in this offering.

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SELLING STOCKHOLDERS

On September 20, 2011, we issued 218,324 shares of Common Stock as a portion of the consideration paid for the assignment of certain ownership interests in a commercial real estate property. The issuance was made pursuant to a contract of exchange (the "Contract of Exchange"), dated July 15, 2011, among 747 Holdings, Inc., Madison PGS, Inc. and MFPF Holding Company, Inc. (collectively, the "Transferors"), 747 Madison, LLC and 747 Madison Retail Owner LLC. Following the issuance of the shares, the corporate entity Transferors distributed the respective shares they received to their respective stockholders, who are the selling stockholders listed below. Under the terms of the Contract of Exchange, we agreed to file this prospectus supplement registering the resale of the shares of our Common Stock by the selling stockholders. Accordingly, we are registering the resale of 218,324 shares of our Common Stock on behalf of the selling stockholders.

The following table presents information about the beneficial ownership of our Common Stock by the selling stockholders based on 88,905,059 shares of our Common Stock outstanding as of September 15, 2011. The information presented regarding the selling stockholders is based upon representations made by the selling stockholders to us. Beneficial ownership is determined in accordance with the rules of the Commission and, in general, stockholders having voting or investment power with respect to a security are beneficial owners of that security. Unless otherwise indicated, to our knowledge, all persons listed in the table below have sole voting and investment power with respect to their shares.

The following table was prepared assuming that the selling stockholders sell or otherwise distribute all of the shares of Common Stock beneficially owned by such stockholders that are registered by us and that such stockholders do not acquire any additional shares of stock. However, because the selling stockholders may from time to time sell or otherwise distribute all, some or none of the shares covered by this prospectus supplement and beneficially owned by them, no estimate can be made of the aggregate number of such shares that are to be offered hereby or that will be owned by the selling stockholders upon completion of any sale to which this prospectus supplement relates.

	Ownership Before Offering		Securities Offered by this Prospectus	Ownership After Offering	
Name of Registering Stockholder	**Common Stock**	**% of Common Stock outstanding**	**Common Stock**	**Common Stock**	**% of Common Stock(1)**
Farber, Morton(2)	68,226	*	68,226	0	0
Florescue, Barry W.(3)	136,452	*	136,452	0	0
Scheer, Pia Giannone(3)	13,646	*	13,646	0	0
Total:	218,324	*	218,324	0	0

* Represents less than 1% of our outstanding Common Stock.

(1) Assumes that each selling stockholders sells or otherwise distributes all of the Common Stock that is covered by this prospectus to third parties and neither acquires nor disposes of any other shares of our Common Stock subsequent to the date of which we obtained information regarding such selling stockholders holdings.

(2) Mr. Farber's registered address is 4468 Bocaire Blvd., Boca Raton, FL 33487.

(3) Mr. Florescue's and Ms. Scheer's registered address is 50 East Sample Road, Ste 400 Pompano Beach, FL 33064.

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SUPPLEMENTAL MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion supplements the discussion in the accompanying prospectus under the heading "Material United States Federal Income Tax Consequences Recent Legislation."

The Treasury Department announced on July 25, 2011, in Notice 2011-53, that the withholding, disclosure, and reporting provisions of the HIRE Act will not be effective for payments after December 31, 2012, but rather will be implemented in a phased approach. The rules with respect to withholding on dividends with respect to our stock will be effective for payments made after December 31, 2013, and the rules with respect to withholding on the proceeds of the sale of our stock will be effective after December 31, 2014.

PLAN OF DISTRIBUTION

This prospectus supplement relates to the offer and sale, from time to time, of shares of our Common Stock by the selling stockholders. We are registering the resale of shares of our Common Stock to provide the selling stockholders with freely tradable securities, but the registration of such shares does not necessarily mean that any of such shares will be offered or sold by selling stockholders.

The selling stockholders may, from time to time, offer the shares of our Common Stock offered in this prospectus supplement in one or more transactions (which may involve crosses or block transactions) on the NYSE or otherwise, in secondary distributions pursuant to and in accordance with the rules of the NYSE, in the over-the-counter market, in negotiated transactions, through the writing of options on the shares (whether such options are listed on an options exchange or otherwise), or a combination of such methods of sale, at fixed prices, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. In addition, any shares of Common Stock that qualify for sale under Rule 144 under the Securities Act of 1933, as amended, or the Securities Act, may be sold under that rule rather than pursuant to this prospectus supplement.

The selling stockholders may effect such transactions by selling the shares of our Common Stock offered in this prospectus supplement to or through broker-dealers or through other agents, and such broker-dealers or agents may receive compensation in the form of commissions from the selling stockholders and/or the purchasers of shares for whom they may act as agent. The registering stockholder and any agents or broker-dealers that participate in the distribution the shares of Common Stock offered in this prospectus supplement may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the sale of registered shares may be deemed to be underwriting commissions or discounts under the Securities Act.

In the event of a "distribution" of the shares of our Common Stock offered in this prospectus supplement, the selling stockholders, any selling broker-dealer or agent and any "affiliated purchasers" may be subject to Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would prohibit, with certain exceptions, each such person from bidding for or purchasing any security which is the subject of such distribution until his participation in that distribution is completed. In addition, Regulation M under Exchange Act prohibits certain "stabilizing bids" or "stabilizing purchases" for the purpose of pegging, fixing or stabilizing the price of Common Stock in connection with this offering.

At a time a particular offering of shares of our Common Stock is made, a prospectus supplement, if required, will be distributed that will set forth the name or names of any dealers or agents and any commissions and other terms constituting compensation from the selling stockholders and any other required information. Shares of our Common Stock may be sold from time to time at varying prices determined at the time of sale or at negotiated prices.

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In order to comply with the securities laws of certain states, if applicable, the shares of our Common Stock, may be sold only through registered or licensed brokers or dealers or, if required, an exemption from issuer-dealer registration is perfected.

Pursuant to the Contract of Exchange, we have agreed to pay all expenses of effecting the registration of the shares of our Common Stock offered hereby (other than any applicable transfer taxes) and have agreed to indemnify each selling stockholder, their partners, officers, directors, agents, investment advisors and employees and each person who controls such selling stockholder and the officers, directors, agents and employees of each such controlling person against certain losses, claims, damages and expenses arising under the securities laws.

LEGAL MATTERS

The validity of the securities offered by this prospectus supplement will be passed upon for us by Ballard Spahr LLP, Baltimore, Maryland. Greenberg Traurig, LLP, New York, New York, represents us in certain tax matters. Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, also represents us in certain matters.

EXPERTS

The consolidated financial statements and schedule of SL Green Realty Corp., the consolidated financial statements of Rock-Green, Inc. and the consolidated financial statements of 1515 Broadway Realty Corp., each appearing in SL Green Realty Corp.'s Annual Report (Form 10-K) for the year ended December 31, 2010, and the effectiveness of SL Green Realty Corp.'s internal control over financial reporting as of December 31, 2010, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. The statement of revenues and certain expenses of 521 Fifth Avenue JV LLC for the year ended December 31, 2010 and the statement of revenues and certain expenses of 1515 Broadway Realty Corp. for the year ended December 31, 2010, each appearing in SL Green Realty Corp. and SL Green Operating Partnership, L.P.'s Current Report (Form 8-K) dated July 14, 2011 have been audited by Ernst & Young LLP, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and such statements of revenues and certain expenses are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE

We are subject to the informational requirements of the Exchange Act and, in accordance therewith, file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any reports, statements or other information we file with the Commission at the Commission's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The Commission maintains an Internet website (http://www.sec.gov) that contains reports, proxy statements and information statements, and other information regarding issuers that file electronically with the Commission. Our Commission filings are also available on our Internet website (http://www.slgreen.com). The information contained on or connected to our website is not, and you must not consider the information to be, a part of this prospectus supplement. Our securities are listed on the NYSE and all such material filed by us with the NYSE also can be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

We have filed with the Commission a registration statement on Form S-3, of which this prospectus supplement and the accompanying prospectus are a part, under the Securities Act, with respect to the securities registered hereby. This prospectus supplement and the accompanying prospectus do not

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contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information concerning our company and the securities registered hereby, reference is made to the registration statement. Statements contained in this prospectus supplement and the accompanying prospectus as to the contents of any contract or other documents are not necessarily complete, and in each instance, reference is made to the copy of such contract or documents filed as exhibits to the registration statement, each such statement being qualified in all respects by such reference.

The Commission allows us to "incorporate by reference" information into this prospectus supplement, which means that we can disclose important information to you by referring you to another document filed separately with the Commission. The information incorporated by reference is deemed to be part of this prospectus supplement, except for any information superseded by information in this prospectus supplement or any document that we file in the future with the Commission. This prospectus supplement incorporates by reference the documents set forth below that we have previously filed with the Commission and all documents that we file with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than any portion of the respective filings that are furnished pursuant to Item 2.02 or Item 7.01 of a Current Report on Form 8-K (including exhibits related thereto) or other applicable Commission rules, rather than filed) after the date of this prospectus supplement from their respective filing dates. These documents contain important information about us, our business and our finances.

Document	**Period**
SL Green Realty Corp.'s Annual Report on Form 10-K (File No. 1-13199)	Year ended December 31, 2010

Document	**Period**
SL Green Realty Corp.'s Quarterly Report on Form 10-Q (File No. 1-13199)	Quarterly Period ended March 31, 2011 Quarterly Period ended June 30, 2011

Document	**Filed**
SL Green Realty Corp.'s Current Reports on Forms 8-K and 8-K/A (File No. 1-13199)	January 7, 2011 January 13, 2011 February 10, 2011 February 10, 2011 February 16, 2011 April 13, 2011 April 15, 2011 April 29, 2011 June 16, 2011 July 14, 2011 July 19, 2011 July 27, 2011 July 27, 2011 August 2, 2011 August 5, 2011 September 1, 2011 September 20, 2011

Document	**Filed**
SL Green Realty Corp.'s Definitive Proxy Statement on Schedule 14A (File No. 1-13199)	April 29, 2011

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PROSPECTUS

Common Stock, Preferred Stock, Debt Securities, Guarantees of Debt Securities, Depositary Shares Representing Preferred Stock and Warrants

SL Green Realty Corp. may from time to time offer, in one or more series or classes, separately or together, and in amounts, at prices and on terms to be set forth in one or more supplements to this prospectus, the following securities:

- shares of common stock, par value $.01 per share;
- shares of preferred stock, par value $.01 per share;
- depositary shares representing entitlement to all rights and preferences of fractions of shares of preferred stock of a specified series and represented by depositary receipts;
- warrants to purchase shares of common stock, preferred stock or depositary shares;
- debt securities, including as a co-obligor of debt securities co-issued by Reckson Operating Partnership and/or SL Green Operating Partnership; or
- guarantees of debt securities.

Reckson Operating Partnership, L.P., or Reckson Operating Partnership, may from time to time offer, in one or more series:

- debt securities, including as a co-obligor of debt securities co-issued by SL Green Realty Corp. and/or SL Green Operating Partnership; or
- guarantees of debt securities.

SL Green Operating Partnership, L.P., or SL Green Operating Partnership, may from time to time offer, in one or more series:

- debt securities, including as a co-obligor of debt securities co-issued by Reckson Operating Partnership and/or SL Green Realty Corp.; or
- guarantees of debt securities.

In addition, selling stockholders to be named in a prospectus supplement may offer shares of SL Green Realty Corp.'s common stock from time to time. To the extent that any selling stockholder resells any securities, the selling stockholder may be required to provide you with this

prospectus and a prospectus supplement identifying and containing specific information about the selling stockholder and the terms of the securities being offered.

We refer to the common stock, preferred stock, guarantees, depositary shares, warrants and debt securities collectively as the "securities" in this prospectus.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be set forth in the applicable prospectus supplement. The prospectus supplement will also contain information, where applicable, about certain federal income tax considerations relating to, and any listing on a securities exchange of, the securities covered by such prospectus supplement. It is important that you read both this prospectus and the applicable prospectus supplement before you invest in the securities.

These securities may be offered and sold to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. The prospectus supplement will describe the terms of the plan of distribution and set forth the names of any agents, dealers or underwriters involved in the sale of the securities. See "Plan of Distribution" beginning on page 50 for more information on this topic. No securities may be sold without delivery of a prospectus supplement describing the method and terms of the offering of those securities.

SL Green Realty Corp.'s common stock is listed on the New York Stock Exchange, or the NYSE, under the symbol "SLG." On June 16, 2011 the closing sale price of SL Green Realty Corp.'s common stock on the NYSE was $81.13 per share. SL Green Realty Corp.'s 7.625% Series C cumulative redeemable preferred stock, liquidation preference $25.00 per share, is listed on the NYSE under the symbol "SLGPrC." On June 16, 2011, the closing sale price of SL Green Realty Corp.'s 7.625% Series C cumulative redeemable preferred stock on the NYSE was $25.29 per share. SL Green Realty Corp.'s 7.875% Series D cumulative redeemable preferred stock, liquidation preference $25.00 per share, is listed on the NYSE under the symbol "SLGPrD." On June 16, 2011, the closing sale price of SL Green Realty Corp.'s 7.875% Series D cumulative redeemable preferred stock on the NYSE was $25.64 per share.

See "Risk Factors" on page 3 of this prospectus for a description of risk factors that should be considered by purchasers of the securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 17, 2011.

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You should rely only on the information contained or incorporated by reference in this prospectus and any accompanying prospectus supplement. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on other dates which are specified in those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC, in accordance with General Instruction I.D. of Form S-3, using a "shelf" registration process for the delayed offering and sale of securities pursuant to Rule 415 under the Securities Act of 1933, as amended, or the Securities Act. Under the shelf process, we and/or the selling stockholders may, from time to time, sell the offered securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities we and/or the selling stockholders may offer. Each time we and/or the selling stockholders sell securities, we and/or the selling stockholders will provide a prospectus supplement containing specific information about the terms of the securities being offered and the specific manner in which they will be offered. The prospectus supplement may also add, update or change information contained in this prospectus.

This prospectus and any accompanying prospectus supplement do not contain all of the information included in the registration statement. We have omitted parts of the registration statement in accordance with the rules and regulations of the SEC. For further information, we refer you to the registration statement on Form S-3 of which this prospectus is a part, including its exhibits. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of these matters.

You should read this prospectus together with any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in "Where You Can Find More Information; Incorporation by Reference" below. Information incorporated by reference after the date of this prospectus may add, update or change information contained in this prospectus. Any information in such subsequent filings that is inconsistent with this prospectus will supersede the information in this prospectus or any earlier prospectus supplement.

As used in this prospectus, unless otherwise stated or the context otherwise requires, the terms "we," "us," "our" and "our company" refer to SL Green Realty Corp., all entities owned or controlled by SL Green Realty Corp., including SL Green Operating Partnership and Reckson Operating Partnership. In addition, the term "properties" means those which we directly own by holding fee title, leasehold or otherwise or indirectly own, in whole or in part, by holding interests in entities that own such properties.

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INFORMATION ABOUT SL GREEN REALTY CORP.

We are a self-managed real estate investment trust, or REIT, with in-house capabilities in property management, acquisitions, financing, development, construction and leasing. We were formed in June 1997 for the purpose of continuing the commercial real estate business of S.L. Green Properties, Inc., our predecessor entity. S.L. Green Properties, Inc., which was founded in 1980 by Stephen L. Green, our Chairman, had been engaged in the business of owning, managing, leasing, acquiring and repositioning office properties in Manhattan. We began trading on the NYSE on August 15, 1997 under the symbol "SLG."

As of March 31, 2011, we (inclusive of Reckson Operating Partnership) owned the following interests in commercial office properties in the New York Metropolitan area, primarily in midtown Manhattan. Our investments in the New York Metropolitan area also include investments in Brooklyn, Queens, Long Island, Westchester County, Connecticut and New Jersey, which are collectively known as the Suburban assets:

Location	Ownership	Number of Properties	Square Feet	Weighted Average Occupancy(1)
Manhattan	Consolidated properties	23	15,601,945	92.0%
	Unconsolidated properties	7	6,722,515	96.4%
Suburban	Consolidated properties	25	3,863,000	80.7%
	Unconsolidated properties	6	2,941,700	93.7%
		61	29,129,160	91.7%

(1) The weighted average occupancy represents the total leased square feet divided by total available rentable square feet.

As of March 31, 2011, our Manhattan properties (inclusive of Reckson Operating Partnership) were comprised of: fee ownership (23 properties), including ownership in condominium units, and leasehold ownership (seven properties). As of March 31, 2011, our Suburban properties (inclusive of Reckson Operating Partnership) were comprised of fee ownership (30 properties) and leasehold ownership (one property). We refer to our Manhattan and Suburban office properties collectively as our portfolio.

As of March 31, 2011, we (inclusive of Reckson Operating Partnership) also owned investments in nine retail properties encompassing approximately 334,782 square feet, six development properties encompassing approximately 1,277,521 square feet and three land interests. In addition, as of March 31, 2011, we managed four office properties owned by third parties and affiliated companies encompassing approximately 1.3 million rentable square feet. As of March 31, 2011, we held approximately $579.3 million of debt and preferred equity investments.

Our principal corporate offices are located in midtown Manhattan at 420 Lexington Avenue, New York, New York 10170. As of December 31, 2010, our corporate staff consisted of approximately 250 persons, including 190 professionals experienced in all aspects of commercial real estate. We can be contacted at (212) 594-2700. We maintain a website at *www.slgreen.com*. The information contained on or connected to our website is not incorporated by reference into, and you must not consider the information to be, a part of this prospectus.

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INFORMATION ABOUT SL GREEN OPERATING PARTNERSHIP, L.P.

Substantially all of our assets (including Reckson Operating Partnership) are held by, and our operations are conducted through, our operating partnership, SL Green Operating Partnership. SL Green Realty Corp. is the sole general partner of SL Green Operating Partnership. As of March 31, 2011, SL Green Realty Corp. owned approximately 97.7% of the economic interests in SL Green Operating Partnership and minority investors held, in the aggregate, an approximately 2.3% limited partnership interest in SL Green Operating Partnership.

INFORMATION ABOUT RECKSON OPERATING PARTNERSHIP, L.P.

Reckson Operating Partnership is engaged in the ownership, management and operation of commercial real estate properties, principally office properties, and also owns land for future development located in the New York Metropolitan area.

Reckson Operating Partnership commenced operations on June 2, 1995. Wyoming Acquisition GP LLC, or WAGP, a wholly-owned subsidiary of SL Green Operating Partnership, is the sole general partner of Reckson Operating Partnership. The sole limited partner of Reckson Operating Partnership is SL Green Operating Partnership.

On January 25, 2007, SL Green Realty Corp. completed the acquisition of all of the outstanding shares of common stock of Reckson Associates Realty Corp., or RARC, which preceded WAGP as the sole general partner of Reckson Operating Partnership until November 15, 2007.

As of March 31, 2011, Reckson Operating Partnership owned the following interests in commercial office properties in the New York Metropolitan area, primarily in midtown Manhattan. Reckson Operating Partnership's investments in the New York Metropolitan area also include investments in Queens, Westchester County and Connecticut, which are collectively known as Reckson Operating Partnership's Suburban assets. The interests of Reckson Operating Partnership in these properties are included in the table of our properties in "Information About SL Green Realty Corp." above.

Location	Ownership	Number of Properties	Square Feet	Weighted Average Occupancy(1)
Manhattan	Consolidated properties	4	3,770,000	94.6%
Suburban	Consolidated properties	16	2,642,100	82.5%
	Unconsolidated properties	1	1,402,000	100.0%
		21	7,814,100	91.5%

(1) The weighted average occupancy represents the total leased square feet divided by total available rentable square fee.

As of March 31, 2011, Reckson Operating Partnership's inventory of development parcels aggregated approximately 81 acres of land in four separate parcels on which it can, based on estimates at March 31, 2011, develop approximately 1.1 million square feet of office space and in which it had invested approximately $66.4 million. In addition, as of March 31, 2011, Reckson Operating Partnership also held approximately $2.5 million of debt investments. At March 31, 2011, Reckson Operating Partnership also owned one development property encompassing approximately 36,800 square feet.

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RISK FACTORS

Investing in our securities involves risks. You should carefully consider the risks and uncertainties described under the heading "Risk Factors" included in (i) SL Green Realty Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010, (ii) Reckson Operating Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, (iii) SL Green Operating Partnership's Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and (iv) the other information contained in this document, in an applicable prospectus supplement or incorporated by reference herein or therein, before purchasing any of our securities. See "Where You Can Find More Information; Incorporation by Reference" in this prospectus. These risks are not the only ones faced by us. Additional risks not presently known or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. In connection with the forward-looking statements that appear in this prospectus, you should carefully review the factors referred to above and the cautionary statements referred to in "Forward-Looking Statements May Prove Inaccurate" beginning on page 4 of this prospectus. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described above and in the documents incorporated herein by reference.

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FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE

This prospectus and the documents incorporated herein by reference include 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 prospectus and the documents incorporated herein by reference 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, Long Island, Westchester County, Connecticut 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 prospectus and the documents incorporated herein by reference 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 Metropolitan area 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 or our subsidiaries' (including SL Green Operating Partnership and Reckson Operating Partnership) ability to comply with financial covenants in our debt instruments;

SL Green Realty Corp.'s ability to maintain its status as a REIT for federal income tax purposes, SL Green Operating Partnership's ability to satisfy the rules in order for it to qualify as a partnership for federal income tax purposes, the ability of certain of SL Green Realty Corp.'s subsidiaries to qualify as REITs and certain of SL Green Realty Corp.'s subsidiaries to qualify as taxable REIT subsidiaries for federal income tax purposes and the ability of SL Green Realty Corp.'s subsidiaries (including SL Green Operating Partnership and Reckson Operating Partnership) to operate effectively within the limitations imposed by these rules;

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- 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 Metropolitan 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 SEC. 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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USE OF PROCEEDS

Unless otherwise specified in the applicable prospectus supplement, we intend to contribute the net proceeds from the sale of the securities offered hereby (other than debt securities of Reckson Operating Partnership and SL Green Operating Partnership) to SL Green Operating Partnership, which would use such net proceeds for general corporate purposes and working capital, which may include the repayment of existing indebtedness, new investment opportunities, the development or acquisition of additional properties (including through the acquisition of individual properties, portfolios and companies) as suitable opportunities arise and the renovation, expansion and improvement of our existing properties. Unless otherwise specified in the applicable prospectus supplement, Reckson Operating Partnership and SL Green Operating Partnership intend to use the net proceeds from the sale of debt securities offered hereby for general corporate purposes and working capital, which may include the repayment of existing indebtedness, new investment opportunities, the development or acquisition of additional properties (including through the acquisition of individual properties, portfolios and companies) as suitable opportunities arise and the renovation, expansion and improvement of our existing properties. Unless otherwise set forth in a prospectus supplement, we will not receive any proceeds in the event that the securities are sold by a selling stockholder. Further details relating to the use of the net proceeds from any particular offering of securities will be set forth in the applicable prospectus supplement.

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RATIOS OF EARNINGS TO FIXED CHARGES

The following table shows the ratios of earnings to fixed charges for SL Green Realty Corp., Reckson Operating Partnership and SL Green Operating Partnership, respectively:

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	Year Ended December 31, 2010	2009	2008	2007	2006
SL Green Realty Corp.	3.17x	1.39x	3.61x	1.28x	2.67x	1.55x	2.14x
Reckson Operating Partnership	2.21x	2.08x	1.78x	1.58x	1.74x	1.36x	0.27x
SL Green Operating Partnership	3.17x	1.39x	3.61x	1.28x	2.67x	1.55x	2.14x

The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. For the purpose of calculating the ratios, the earnings have been calculated by adding fixed charges to income or loss from continuing operations before adjustment for non-controlling interests plus distributions from unconsolidated joint ventures, excluding gains or losses from sale of property, loss on equity investment and marketable securities and the cumulative effect of changes in accounting principles. Fixed charges consist of all interest, whether expensed or capitalized, including the amortization of debt issuance costs and rental expense deemed to represent interest expense. With respect to Reckson Operating Partnership, the above ratios were calculated in accordance with Item 503 of Regulation S-K. As a result, all years prior to 2008 have been restated to exclude income from discontinued operations. Excluding the costs associated with SL Green Realty Corp.'s acquisition of all of the outstanding shares of common stock of RARC, the 2007 and 2006 ratios would have been 1.46x and 0.75x, respectively. For the year ended December 31, 2006, fixed charges of Reckson Operating Partnership exceeded earnings by $87.3 million.

RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS AND DISTRIBUTIONS

The following table shows the ratios of earnings to combined fixed charges and preferred dividends and distributions for SL Green Realty Corp.:

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	Year Ended December 31, 2010	2009	2008	2007	2006
SL Green Realty Corp.	2.93x	1.28x	3.27x	1.21x	2.54x	1.50x	1.88x

The ratios of earnings to combined fixed charges and preferred dividends and distributions were computed by dividing earnings by fixed charges. For the purpose of calculating the ratios, the earnings have been calculated by adding fixed charges to income or loss from continuing operations before adjustment for noncontrolling interests plus distributions from unconsolidated joint ventures, excluding gains or losses from sale of property, loss on equity investment and marketable securities and the cumulative effect of changes in accounting principles. Fixed charges and preferred stock dividends for SL Green Realty Corp. consist of interest expense including the amortization of debt issuance costs, rental expense deemed to represent interest expense and preferred dividends paid on its 7.625% Series C and its 7.875% Series D cumulative redeemable preferred stock.

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DESCRIPTION OF COMMON STOCK

The following description of the terms of SL Green Realty Corp.'s common stock is only a summary. This description is subject to, and qualified in its entirety by reference to, SL Green Realty Corp.'s charter and bylaws, each as amended, each of which has previously been filed with the SEC and which we incorporate by reference as exhibits to the registration statement of which this prospectus is a part, and the Maryland General Corporation Law, or MGCL. The terms "we," "us" and "our" as such terms are used in the following description of common stock refer to SL Green Realty Corp. unless the context requires otherwise.

General

Our charter provides that we may issue up to 160,000,000 shares of common stock, $.01 par value per share. Subject to the provisions of the charter regarding excess stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as provided with respect to any other class or series of stock, the holders of this stock will possess the exclusive voting power. There is no cumulative voting in the election of directors, which means that the holders of a majority of the outstanding shares of common stock can elect all of the directors then standing for election and the holders of the remaining shares will not be able to elect any directors. As of May 31, 2011, there were 83,859,934 shares of common stock outstanding. In addition, as of May 31, 2011, there were 1,237,237 shares of our common stock underlying options granted under our equity compensation plans and 3,490,827 shares of common stock reserved and available for future issuance under our equity compensation plans, 1,911,650 shares of our common stock issuable upon redemption of SL Green Operating Partnership's units of limited partnership interest, an aggregate of 732,470 and 4,020,510 shares of our common stock issuable upon exchange of SL Green Operating Partnership's outstanding 3.00% Exchangeable Senior Notes due 2027 and 3.00% Exchangeable Senior Notes due 2017, respectively, and an aggregate of 5,089 shares of our common stock issuable upon exchange of Reckson Operating Partnership's outstanding 4.00% Exchangeable Senior Debentures due 2025, in each case assuming full redemption or exchange, as the case may be, for shares of our common stock.

All shares of common stock offered hereby have been duly authorized, and, when issued in exchange for the consideration therefor, will be fully paid and nonassessable. Subject to the preferential rights of any other shares or series of stock and to the provisions of the charter regarding excess stock, holders of shares of common stock are entitled to receive dividends on this stock if, as and when authorized by our board of directors out of assets legally available therefor and to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all of our known debts and liabilities.

Holders of shares of common stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. Subject to the provisions of the charter regarding excess stock, shares of common stock will have equal dividend, liquidation and other rights.

Provisions of Our Charter

Our charter authorizes our board of directors to reclassify any unissued shares of common stock into other classes or series of stock and to establish the number of shares in each class or series and to set the preferences, conversion and other rights, voting powers, restrictions, limitations and restrictions on ownership, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series.

Our board of directors is divided into three classes of directors, each class constituting approximately one-third of the total number of directors, with the classes serving staggered terms. At

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each annual meeting of stockholders, the class of directors to be elected at the meeting will be elected for a three-year term and the directors in the other two classes will continue in office. We believe that classified directors will help to assure the continuity and stability of our board of directors and our business strategies and policies as determined by our board of directors. The use of a staggered board may delay or defer a change in control of our company or removal of incumbent management.

Our charter also provides that, except for any directors who may be elected by holders of a class or series of capital stock other than our common stock, directors may be removed only for cause and only by the affirmative vote of stockholders holding at least a majority of all the votes entitled to be cast generally for the election of directors. Vacancies on the board of directors may be filled only by the affirmative vote of a majority of the remaining directors.

On February 19, 2010, we adopted a policy on majority voting in the election of directors. Pursuant to this policy, in an uncontested election of directors, any nominee who receives a greater number of votes withheld from his or her election than votes for his or her election will, within ten business days following the certification of the stockholder vote, tender his or her written resignation to the Chairman of the Board for consideration by our Nominating and Corporate Governance Committee. Our Nominating and Corporate Governance Committee will consider the resignation and, within 60 days following the date of the stockholders' meeting at which the election occurred, will make a recommendation to our board of directors concerning the acceptance or rejection of the resignation.

Under the policy, our board of directors will take formal action on the recommendation no later than 90 days following the date of the stockholders' meeting. In considering the recommendation, our board of directors will consider the information, factors and alternatives considered by the Nominating and Corporate Governance Committee and such additional factors, information and alternatives as the board deems relevant. We will publicly disclose, in a Form 8-K filed with the SEC, the board of director's decision within four business days after the decision is made. Our board of directors also will provide, if applicable, its reason or reasons for rejecting the tendered resignation.

Restrictions on Ownership

For us to qualify as a REIT under the Internal Revenue Code of 1986, as amended, which we refer to as the Code, not more than 50% in value of our outstanding common stock may be owned, directly or indirectly, by five or fewer individuals, according to the definition in the Code, during the last half of a taxable year and the common stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year. To satisfy the above ownership requirements and other requirements for qualification as a REIT, our board of directors has adopted, and the stockholders prior to the initial public offering approved, provisions in our charter restricting the ownership or acquisition of shares of our capital stock. See "Restrictions on Ownership of Capital Stock" beginning on page 29 of this prospectus.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is The Bank of New York Mellon.

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DESCRIPTION OF PREFERRED STOCK

The following description of the terms of SL Green Realty Corp.'s preferred stock is only a summary. The specific terms of any series of preferred stock will be described in the applicable prospectus supplement. This description and the description contained in any prospectus supplement are subject to and qualified in their entirety by reference to SL Green Realty Corp.'s charter, which includes the articles supplementary relating to each series of preferred stock, and SL Green Realty Corp.'s bylaws, as amended, each of which has previously been filed with the SEC and which we incorporate by reference as exhibits to the registration statement of which this prospectus is a part, and the MGCL. The terms "we," "us" and "our" as such terms are used in the following description of preferred stock refer to SL Green Realty Corp. unless the context requires otherwise.

General

Our charter provides that we may issue up to 25,000,000 shares of preferred stock, $.01 par value per share. As of March 31, 2011 there were 15,700,000 shares of preferred stock outstanding, consisting of 11,700,000 shares of 7.625% Series C cumulative redeemable preferred stock and 4,000,000 shares of 7.875% Series D cumulative redeemable preferred stock. A description of our 7.625% Series C cumulative redeemable preferred stock and our 7.875% Series D cumulative redeemable preferred stock is set forth in our registration statements on Form 8-A and 8-A/A, respectively, filed with the SEC on December 10, 2003 and July 14, 2004, respectively, each of which is incorporated herein by reference.

The following description of the preferred stock sets forth general terms and provisions of the preferred stock to which any prospectus supplement may relate. The statements below describing the preferred stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of our charter and bylaws and any applicable articles supplementary designating terms of a series of preferred stock.

The issuance of preferred stock could adversely affect the voting power, dividend rights and other rights of holders of common stock. Our board of directors could establish another series of preferred stock that could, depending on the terms of the series, delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for the common stock or otherwise be in the best interest of the holders thereof. Management believes that the availability of preferred stock will provide us with increased flexibility in structuring possible future financing and acquisitions and in meeting other needs that might arise.

Terms

Subject to the limitations prescribed by our charter, our board of directors is authorized to fix the number of shares constituting each series of preferred stock and the designations and powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, including provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and other subjects or matters as may be fixed by resolution of the board of directors. The preferred stock will, when issued in exchange for the consideration therefor, be fully paid and nonassessible by us and will have no preemptive rights.

Reference is made to the prospectus supplement relating to the series of preferred stock offered thereby for the specific terms thereof, including:

The title and stated value of the preferred stock;

The number of shares of the preferred stock, the liquidation preference per share of the preferred stock and the offering price of the preferred stock;

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The dividend rate(s), period(s) and/or payment day(s) or method(s) of calculation thereof applicable to the preferred stock;

The date from which dividends on the preferred stock shall accumulate, if applicable;

The procedures for any auction and remarketing, if any, for the preferred stock;

The provision for a sinking fund, if any, for the preferred stock;

The provision for redemption, if applicable, of the preferred stock;

Any listing of the preferred stock on any securities exchange;

The terms and conditions, if applicable, upon which the preferred stock may or will be convertible into our common stock, including the conversion price or manner of calculation thereof;

The relative ranking and preferences of the preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;

Any limitations on direct or beneficial ownership and restrictions on transfer, in each case as may be appropriate to preserve the status of our company as a REIT;

A discussion of federal income tax considerations applicable to the preferred stock; and

Any other specific terms, preferences, rights, limitations or restrictions of the preferred stock.

Rank

Unless otherwise specified in the applicable prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of our company, rank:

(a) senior to all classes or series of common stock and to all equity securities issued by us the terms of which provide that the equity securities shall rank junior to the preferred stock;

(b) on a parity with all equity securities issued by us other than those referred to in clauses (a) and (c); and

(c) junior to all equity securities issued by us which the terms of the preferred stock provide will rank senior to it. The term "equity securities" does not include convertible debt securities.

Dividends

Unless otherwise specified in the applicable prospectus supplement, the preferred stock will have the rights with respect to payment of dividends set forth below.

Holders of the preferred stock of each series will be entitled to receive, when, as and if declared by our board of directors, out of our assets legally available for payment, cash dividends in the amounts and on the dates as will be set forth in, or pursuant to, the applicable prospectus

supplement. Each dividend shall be payable to holders of record as they appear on our share transfer books on the record dates as shall be fixed by our board of directors.

Dividends on any series of preferred stock may be cumulative or non-cumulative, as provided in the applicable prospectus supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable prospectus supplement. If the board of directors fails to declare a dividend payable on a dividend payment date on any series of preferred stock for which dividends are non-cumulative, then the holders of such series of preferred stock will have no right to receive a dividend in respect of the related dividend period and we will have no obligation to pay the dividend

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accrued for the period, whether or not dividends on such series of preferred stock are declared payable on any future dividend payment date.

If preferred stock of any series is outstanding, no full dividends will be declared or paid or set apart for payment on any of our capital stock of any other series ranking, as to dividends, on a parity with or junior to the preferred stock of such series for any period unless:

- if such series of preferred stock has a cumulative dividend, full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for the payment for all past dividend periods; or

- if such series of preferred stock does not have a cumulative dividend, full dividends for the then current dividend period have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for the payment on the preferred stock of such series.

When dividends are not paid in full or a sum sufficient for the full payment is not so set apart upon preferred stock of any series and the shares of any other series of preferred stock ranking on a parity as to dividends with the preferred stock of such series, all dividends declared upon the preferred stock of such series and any other series of preferred stock ranking on a parity as to dividends with the preferred stock shall be declared pro rata so that the amount of dividends declared per share of preferred stock of such series and the other series of preferred stock shall in all cases bear to each other the same ratio that accrued dividends per share on the preferred stock of such series and the other series of preferred stock which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock, does not have a cumulative dividend, bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on preferred stock of the series which may be in arrears.

Except as provided in the immediately preceding paragraph, unless (a) if a series of preferred stock has a cumulative dividend, full cumulative dividends on the preferred stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods, and (b) if such series of preferred stock does not have a cumulative dividend, full dividends on the preferred stock of the series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no dividends, other than in shares of common stock or other capital stock ranking junior to the preferred stock of such series as to dividends and upon liquidation, shall be declared or paid or set aside for payment or other distribution shall be declared or made upon the common stock, or any of our other capital stock ranking junior to or on a parity with the preferred stock of such series as to dividends or upon liquidation, nor shall any shares of common stock, or any other of our capital stock ranking junior to or on a parity with the preferred stock of such series as to dividends or upon liquidation, be redeemed, purchased or otherwise acquired for any consideration or any moneys be paid to or made available for a sinking fund for the redemption of any of the shares by us except:

- by conversion into or exchange for other of our capital stock ranking junior to the preferred stock of such series as to dividends and upon liquidation; or

- redemptions for the purpose of preserving our status as a REIT.

Redemption

If so provided in the applicable prospectus supplement, the preferred stock will be subject to mandatory redemption or redemption at our option, as a whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in the prospectus supplement.

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The prospectus supplement relating to a series of preferred stock that is subject to mandatory redemption will specify the number of shares of the preferred stock that shall be redeemed by us in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accumulated and unpaid dividends thereon which shall not, if the preferred stock does not have a cumulative dividend, include any accumulation in respect of unpaid dividends for prior dividend periods, to the date of redemption. The redemption price may be payable in cash or other property, as specified in the applicable prospectus supplement. If the redemption price for preferred stock of any series is payable only from the net proceeds of the issuance of our capital stock, the terms of the preferred stock may provide that, if no capital stock shall have been issued or to the extent the net proceeds from any issuance are insufficient to pay in full the aggregate redemption price then due, the preferred stock shall automatically and mandatorily be converted into the applicable capital stock of our company pursuant to conversion provisions specified in the applicable prospectus supplement.

Notwithstanding the foregoing, unless (a) if a series of preferred stock has a cumulative dividend, full cumulative dividends on all shares of such series of preferred stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods, and (b) if a series of preferred stock does not have a cumulative dividend, full dividends on the preferred stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no shares of any series of preferred stock ranking junior to, or on parity with, such series shall be redeemed unless all outstanding preferred stock of such series is simultaneously redeemed; *provided, however,* that the foregoing shall not prevent the purchase or acquisition of preferred stock of such series to preserve our REIT status or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding preferred stock of such series. In addition, unless (x) if a series of preferred stock has a cumulative dividend, full cumulative dividends on such series of preferred stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods, and (y) if such series of preferred stock does not have a cumulative dividend, full dividends on the preferred stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, we shall not purchase or otherwise acquire, directly or indirectly, any shares of preferred stock ranking junior to, or on parity with, such series except by conversion into or exchange for our capital stock ranking junior to the preferred stock of such series as to dividends and upon liquidation; *provided, however,* that the foregoing shall not prevent the purchase or acquisition of preferred stock of such series to preserve our REIT status or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding preferred stock of such series.

If fewer than all of the outstanding shares of preferred stock of any series are to be redeemed, the number of shares to be redeemed will be determined by us and the shares may be redeemed pro rata from the holders of record of the shares in proportion to the number of the shares held or for which redemption is requested by the holder, with adjustments to avoid redemption of fractional shares, or by lot in a manner determined by us.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of preferred stock of any series to be redeemed at the address shown on our share transfer books. Each notice shall state:

the redemption date;

the number of shares and series of the preferred stock to be redeemed;

the redemption price;

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the place or places where certificates for the preferred stock are to be surrendered for payment of the redemption price;

that dividends on the shares to be redeemed will cease to accumulate on the redemption date; and

the date upon which the holder's conversion rights, if any, as to the shares shall terminate.

If fewer than all the shares of preferred stock of any series are to be redeemed, the notice mailed to each holder thereof shall also specify the number of shares of preferred stock to be redeemed from each holder. If notice of redemption of any preferred stock has been given and if the funds necessary for the redemption have been set aide by us in trust for the benefit of the holders of any preferred stock so called for redemption, then from and after the redemption date dividends will cease to accumulate on the preferred stock, and all rights of the holders of the preferred stock will terminate, except the right to receive the redemption price.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of our affairs, then, before any distribution or payment shall be made to the holders of any common stock or any other class or series of our capital stock ranking junior to the preferred stock of such series in the distribution of assets upon any liquidation, dissolution or winding up of our company, the holders of the preferred stock shall be entitled to receive out of our assets of our company legally available for distribution to stockholders liquidating distributions in the amount of the liquidation preference per share that is set forth in the applicable prospectus supplement, plus an amount equal to all dividends accumulated and unpaid thereon, which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if the preferred stock does not have a cumulative dividend. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of preferred stock will have no rights or claim to any of our remaining assets. In the event that, upon any voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding preferred stock of such series and the corresponding amounts payable on all shares of other classes or series of capital stock of our company ranking on a parity with the preferred stock in the distribution of assets, then the holders of the preferred stock and all such other classes or series of capital stock shall share ratably in any distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Our consolidation or merger with or into any other entity, or the merger of another entity with or into our company, or a statutory share exchange by us, or the sale, lease or conveyance of all or substantially all of our property or business, shall not be deemed to constitute a liquidation, dissolution or winding up of our company.

Voting Rights

Holders of the preferred stock will not have any voting rights, except as set forth below or as otherwise indicated in the applicable prospectus supplement.

Whenever dividends on any series of preferred stock shall be in arrears for six or more quarterly periods, the holders of the preferred stock, voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of two additional directors of our company at a special meeting called by the holders of record of at least ten percent of any series of preferred stock so in arrears, unless the request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, or at the next annual meeting of stockholders, and at each subsequent annual meeting

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until (a) if such series of preferred stock has a cumulative dividend, all dividends accumulated on these shares of preferred stock for the past dividend periods shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment or (b) if such series of preferred stock does not have a cumulative dividend, four quarterly dividends shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment. In these cases, the entire board of directors will be increased by two directors, to be elected by the holders of such series of preferred stock, voting together as a single class with the holders of all other classes of preferred stock ranking on a parity with the holders of such series and upon which like voting rights have been conferred.

Unless provided otherwise for any series of preferred stock, so long as any shares of the preferred stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of such series of preferred stock outstanding at the time, given in person or by proxy, either in writing or at a meeting with such series voting separately as a class:

(a) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking senior to the preferred stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of our company, or reclassify any of our authorized capital stock into such series of preferred stock, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any of such series of preferred stock; or

(b) amend, alter or repeal the provisions of the charter or the articles supplementary for such series of preferred stock, whether by merger, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of such series of preferred stock or the holders thereof;

provided, however, with respect to the occurrence of any of the events set forth in (b) above, so long as such series of preferred stock remains outstanding with the terms thereof materially unchanged, taking into account that upon the occurrence of an event we may not be the surviving entity, the occurrence of any similar event shall not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of holders of such series of preferred stock; and *provided*, *further*, that (x) any increase in the amount of the authorized preferred stock or the creation or issuance of any other series of preferred stock, or (y) any increase in the amount of authorized shares of such series of preferred stock or any other series of preferred stock in each case ranking on a parity with or junior to the preferred stock of such series with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of our company, shall not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which the vote or consent would otherwise be required shall be effected, all outstanding shares of such series of preferred stock shall have been converted, redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect the redemption.

Conversion Rights

The terms and conditions, if any, upon which any series of preferred stock is convertible into shares of common stock will be set forth in the applicable prospectus supplement. The terms will include the number of shares of common stock into which the shares of preferred stock are convertible, the conversion price, or manner of calculation thereof, the conversion period, provisions as to whether conversion will be at the option of the holders of our preferred stock or us, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of the preferred stock.

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Stockholder Liability

Applicable Maryland law provides that no stockholder, including holders of preferred stock, shall be personally liable for our acts and obligations solely as a result of his or her status as a stockholder and that our funds and property shall be the only recourse for these acts or obligations.

Restrictions on Ownership

As discussed below under "Restrictions on Ownership of Capital Stock," for us to qualify as a REIT under the Code, not more than 50% in value of our outstanding capital stock may be owned, directly or indirectly, by five or fewer individuals at any time during the last half of a taxable year. An individual for these purposes is defined by the federal income tax laws pertaining to REITs. The application of the Code restrictions on stock ownership is very complex. Therefore, the articles supplementary for each series of preferred stock may contain provisions restricting the ownership and transfer of such series of preferred stock. The applicable prospectus supplement will specify any additional ownership limitation relating to a series of preferred stock.

Transfer Agent and Registrar

The transfer agent and registrar for the preferred stock is The Bank of New York Mellon.

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DESCRIPTION OF DEPOSITARY SHARES

The following description of the terms of the depositary shares is only a summary. This description is subject to, and qualified in its entirety by reference to, the provisions of the deposit agreement, SL Green Realty Corp.'s charter and the form of articles supplementary for the applicable series of preferred stock. The terms "we," "us" and "our" as such terms are used in the following description of depository shares refer to SL Green Realty Corp. unless the context requires otherwise.

General

We may, at our option, elect to offer depositary shares rather than full shares of preferred stock. In the event such option is exercised, each of the depositary shares will represent ownership of and entitlement to all rights and preferences of a fraction of a share of preferred stock of a specified series (including dividend, voting, redemption and liquidation rights). The applicable fraction will be specified in a prospectus supplement. The shares of preferred stock represented by the depositary shares will be deposited with a depositary named in the applicable prospectus supplement, under a deposit agreement among our company, the depositary named therein and the holders of the certificates evidencing depositary shares, or depositary receipts. Depositary receipts will be delivered to those persons purchasing depositary shares in the offering. The depositary will be the transfer agent, registrar and dividend disbursing agent for the depositary shares. Holders of depositary receipts agree to be bound by the deposit agreement, which requires holders to take certain actions such as filing proof of residence and paying certain charges.

Dividends and Other Distributions

The depositary will distribute all cash dividends or other cash distributions received in respect of the series of preferred stock represented by the depositary shares to the record holders of depositary receipts in proportion to the number of depositary shares owned by such holders on the relevant record date, which will be the same date as the record date fixed by our company for the applicable series of preferred stock. The depositary, however, will distribute only such amount as can be distributed without attributing to any depositary share a fraction of one cent, and any balance not so distributed will be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary receipts then outstanding.

In the event of a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary receipts entitled thereto, in proportion, as nearly as may be practicable, to the number of depositary shares owned by such holders on the relevant record date, unless the depositary determines (after consultation with our company) that it is not feasible to make such distribution, in which case the depositary may (with the approval of our company) adopt any other method for such distribution as it deems equitable and appropriate, including the sale of such property (at such place or places and upon such terms as it may deem equitable and appropriate) and distribution of the net proceeds from such sale to such holders.

No distribution will be made in respect of any depositary share to the extent that it represents any preferred stock converted into excess stock.

Liquidation Preference

In the event of the liquidation, dissolution or winding up of the affairs of our company, whether voluntary or involuntary, the holders of each depositary share will be entitled to the fraction of the liquidation preference accorded each share of the applicable series of preferred stock as set forth in the prospectus supplement.

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Redemption

If the series of preferred stock represented by the applicable series of depositary shares is redeemable, such depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of preferred stock held by the depositary. Whenever we redeem any preferred stock held by the depositary, the depositary will redeem as of the same redemption date the number of depositary shares representing the preferred stock so redeemed. The depositary will mail the notice of redemption promptly upon receipt of such notice from us and not less than 30 nor more than 60 days prior to the date fixed for redemption of the preferred stock and the depositary shares to the record holders of the depositary receipts.

Voting

Promptly upon receipt of notice of any meeting at which the holders of the series of preferred stock represented by the applicable series of depositary shares are entitled to vote, the depositary will mail the information contained in such notice of meeting to the record holders of the depositary receipts as of the record date for such meeting. Each such record holder of depositary receipts will be entitled to instruct the depositary as to the exercise of the voting rights pertaining to the number of shares of preferred stock represented by such record holder's depositary shares. The depositary will endeavor, insofar as practicable, to vote such preferred stock represented by such depositary shares in accordance with such instructions, and we will agree to take all action which may be deemed necessary by the depositary in order to enable the depositary to do so. The depositary will abstain from voting any of the preferred stock to the extent that it does not receive specific instructions from the holders of depositary receipts.

Withdrawal of Preferred Stock

Upon surrender of depositary receipts at the principal office of the depositary, upon payment of any unpaid amount due the depositary, and subject to the terms of the deposit agreement, the owner of the depositary shares evidenced thereby is entitled to delivery of the number of whole shares of preferred stock and all money and other property, if any, represented by such depositary shares. Partial shares of preferred stock will not be issued. If the depositary receipts delivered by the holder evidence a number of depositary shares in excess of the number of depositary shares representing the number of whole shares of preferred stock to be withdrawn, the depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares. Holders of preferred stock thus withdrawn will not thereafter be entitled to deposit such shares under the deposit agreement or to receive depositary receipts evidencing depositary shares therefor.

Amendment and Termination of Deposit Agreement

The form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement may at any time and from time to time be amended by agreement between our company and the depositary. However, any amendment which materially and adversely alters the rights of the holders (other than any change in fees) of depositary shares will not be effective unless such amendment has been approved by at least a majority of the depositary shares then outstanding. No such amendment may impair the right, subject to the terms of the deposit agreement, of any owner of any depositary shares to surrender the depositary receipt evidencing such depositary shares with instructions to the depositary to deliver to the holder of the preferred stock and all money and other property, if any, represented thereby, except in order to comply with mandatory provisions of applicable law.

The deposit agreement will be permitted to be terminated by our company upon not less than 30 days prior written notice to the applicable depositary if (a) such termination is necessary to preserve

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our status as a REIT or (b) a majority of each series of preferred stock affected by such termination consents to such termination, whereupon such depositary will be required to deliver or make available to each holder of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional shares of preferred stock as are represented by the depositary shares evidenced by such depositary receipts together with any other property held by such depositary with respect to such depositary receipts. We will agree that if the deposit agreement is terminated to preserve our status as a REIT, then we will use our best efforts to list the preferred stock issued upon surrender of the related depositary shares on a national securities exchange. In addition, the deposit agreement will automatically terminate if (x) all outstanding depositary shares thereunder shall have been redeemed, (y) there shall have been a final distribution in respect of the related preferred stock in connection with any liquidation, dissolution or winding-up of our company and such distribution shall have been distributed to the holders of depositary receipts evidencing the depositary shares representing such preferred stock or (z) each share of the related preferred stock shall have been converted into stock of our company not so represented by depositary shares.

Charges of Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with the initial deposit of the preferred stock and initial issuance of the depositary shares, and redemption of the preferred stock and all withdrawals of preferred stock by owners of depositary shares. Holders of depositary receipts will pay transfer, income and other taxes and governmental charges and certain other charges as are provided in the deposit agreement to be for their accounts. In certain circumstances, the depositary may refuse to transfer depositary shares, may withhold dividends and distributions and sell the depositary shares evidenced by such depositary receipt if such charges are not paid.

Miscellaneous

The depositary will forward to the holders of depositary receipts all reports and communications from us which are delivered to the depositary and which we are required to furnish to the holders of the preferred stock. In addition, the depositary will make available for inspection by holders of depositary receipts at the principal office of the depositary, and at such other places as it may from time to time deem advisable, any reports and communications received from us which are received by the depositary as the holder of preferred stock.

Neither the depositary nor our company assumes any obligation or will be subject to any liability under the deposit agreement to holders of depositary receipts other than for its negligence or willful misconduct. Neither the depositary nor our company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under the deposit agreement. The obligations of our company and the depositary under the deposit agreement will be limited to performance in good faith of their duties thereunder, and they will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred stock unless satisfactory indemnity is furnished. Our company and the depositary may rely on written advice of counsel or accountants, on information provided by holders of the depositary receipts or other persons believed in good faith to be competent to give such information and on documents believed to be genuine and to have been signed or presented by the proper party or parties.

In the event the depositary shall receive conflicting claims, requests or instructions from any holders of depositary receipts, on the one hand, and our company, on the other hand, the depositary shall be entitled to act on such claims, requests or instructions received from our company.

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Resignation and Removal of Depositary

The depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the depositary, any such resignation or removal to take effect upon the appointment of a successor depositary and its acceptance of such appointment. Such successor depositary must be appointed within 60 days after delivery of the notice for resignation or removal and must be a bank or trust company having its principal office in the United States of America and having a combined capital and surplus of at least $150,000,000.

Restrictions on Ownership

The deposit agreement or the designating articles supplementary for the series of preferred stock represented by such depositary shares, or both, may contain provisions restricting the ownership and transfer of the depositary shares. The applicable prospectus supplement will specify any additional ownership limitation relating to a series of preferred stock represented by such depositary shares. See "Restrictions on Ownership of Capital Stock."

Federal Income Tax Consequences

Owners of depositary shares will be treated for federal income tax purposes as if they were owners of the preferred stock represented by such depositary shares. Accordingly, such owners will be entitled to take into account, for federal income tax purposes, income and deductions to which they would be entitled if they were holders of such preferred stock. In addition, (a) no gain or loss will be recognized for federal income tax purpose upon the withdrawal of preferred stock to an exchange owner of depositary shares, (b) the tax basis of each share of preferred stock to an exchanging owner of depositary shares will, upon such exchange, be the same as the aggregate tax basis of the depositary shares exchanged therefor and (c) the holding period for preferred stock in the hands of an exchanging owner of depositary shares will include the period during which such person owned such depositary shares.

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DESCRIPTION OF WARRANTS

The following description of the terms of the warrants is only a summary. This description is subject to, and qualified in its entirety by reference to, the provisions of the warrant agreement. The terms "we," "us" and "our" as such terms are used in the following description of warrants refer to SL Green Realty Corp. unless the context requires otherwise.

We may issue warrants for the purchase of common stock, preferred stock or depositary shares and may issue warrants independently or together with common stock, preferred stock, depositary shares or attached to or separate from such securities. We will issue each series of warrants under a separate warrant agreement between us and a bank or trust company as warrant agent, as specified in the applicable prospectus supplement.

The warrant agent will act solely as our agent in connection with the warrants and will not act for or on behalf of warrant holders. The following sets forth certain general terms and provisions of the warrants that may be offered under this registration statement. Further terms of the warrants and the applicable warrant agreement will be set forth in the applicable prospectus supplement.

The applicable prospectus supplement will describe the terms of the warrants in respect of which this prospectus is being delivered, including, where applicable, the following:

- the title of such warrants;
- the aggregate number of such warrants;
- the price or prices at which such warrants will be issued;
- the type and number of securities purchasable upon exercise of such warrants;
- the designation and terms of the other securities, if any, with which such warrants are issued and the number of such warrants issued with each such offered security;
- the date, if any, on and after which such warrants and the related securities will be separately transferable;
- the price at which each security purchasable upon exercise of such warrants may be purchased;
- the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;
- the minimum or maximum amount of such warrants that may be exercised at any one time;
- information with respect to book-entry procedures, if any;
- any anti-dilution protection;
- a discussion of certain federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the transferability, exercise and exchange of such warrants.

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DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the debt securities of SL Green Realty Corp., Reckson Operating Partnership and SL Green Operating Partnership and the respective indentures is only a summary. This description and the description contained in any prospectus supplement are subject to and qualified in their entirety by reference to the applicable indentures, the forms of which are filed as exhibits to the registration statement of which this prospectus is a part.

We may offer secured or unsecured debt securities in one or more series which may be senior, subordinated or junior subordinated, and which may be convertible or exchangeable into another security. The debt securities may be issued by SL Green Realty Corp., SL Green Operating Partnership and Reckson Operating Partnership, individually or as co-obligors. Unless otherwise specified in the applicable prospectus supplement, our debt securities will be issued in one or more series under one of the indentures to be entered into between SL Green Realty Corp., Reckson Operating Partnership and/or SL Green Operating Partnership, as applicable, and The Bank of New York Mellon. Forms of the indentures related to the issuance of debt securities by SL Green Realty Corp., SL Green Operating Partnership and/or Reckson Operating Partnership, individually and as co-obligors, are attached as exhibits to the registration statement of which this prospectus forms a part.

The following description briefly sets forth certain general terms and provisions of the debt securities. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which these general provisions may apply to the debt securities, will be described in the applicable prospectus supplement.

The terms of the debt securities will include those set forth in the applicable indenture and those made a part of the applicable indenture by the Trust Indenture Act of 1939, or TIA. You should read the summary below, the applicable prospectus supplement and the provisions of the applicable indenture and supplemental indenture, if any, in their entirety before investing in our debt securities.

The aggregate principal amount of debt securities that may be issued under the respective indentures is unlimited. The prospectus supplement relating to any series of debt securities that we may offer will contain the specific terms of the debt securities. These terms may include the following:

- the issuer or co-obligors of such debt securities;
- the guarantors of each series, if any, and the terms of the guarantees (including provisions relating to seniority, subordination and release of the guarantees), if any;
- the title and aggregate principal amount of the debt securities and any limit on the aggregate principal amount;
- whether the debt securities will be senior, subordinated or junior subordinated;
- whether the debt securities will be secured or unsecured;
- any applicable subordination provisions;
- the maturity date(s) or method for determining same;
- the interest rate(s) or the method for determining same;
- the dates on which interest will accrue or the method for determining dates on which interest will accrue and dates on which interest will be payable and whether interest shall be payable in cash or additional securities;

whether the debt securities are convertible or exchangeable into other securities and any related terms and conditions;

redemption or early repayment provisions;

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authorized denominations;

form;

if other than the principal amount, the principal amount of debt securities payable upon acceleration;

place(s) where payment of principal and interest may be made, where debt securities may be presented and where notices or demands upon the company may be made;

whether such debt securities will be issued in whole or in part in the form of one or more global securities and the date as which the securities are dated if other than the date of original issuance;

amount of discount or premium, if any, with which such debt securities will be issued;

any covenants applicable to the particular debt securities being issued;

any additions or changes in the defaults and events of default applicable to the particular debt securities being issued;

the currency, currencies or currency units in which the purchase price for, the principal of and any premium and any interest on, such debt securities will be payable;

the time period within which, the manner in which and the terms and conditions upon which the holders of the debt securities or the issuer or co-obligors, as the case may be, can select the payment currency;

our obligation or right to redeem, purchase or repay debt securities under a sinking fund, amortization or analogous provision;

any restriction or conditions on the transferability of the debt securities;

the securities exchange(s) on which the debt securities will be listed, if any;

whether any underwriter(s) will act as a market maker(s) for the debt securities;

the extent to which a secondary market for the debt securities is expected to develop;

provisions granting special rights to holders of the debt securities upon occurrence of specified events;

additions or changes relating to compensation or reimbursement of the trustee of the series of debt securities;

additions or changes to the provisions for the defeasance of the debt securities or to provisions related to satisfaction and discharge of the indenture;

provisions relating to the modification of the indenture both with and without the consent of holders of debt securities issued under the indenture and the execution of supplemental indentures for such series; and

any other terms of the debt securities (which terms shall not be inconsistent with the provisions of the TIA, but may modify, amend, supplement or delete any of the terms of the indenture with respect to such series debt securities).

General

We may sell the debt securities, including original issue discount securities, at par or at a substantial discount below their stated principal amount. Unless we inform you otherwise in a prospectus supplement, we may issue additional debt securities of a particular series without the

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consent of the holders of the debt securities of such series or any other series outstanding at the time of issuance. Any such additional debt securities, together with all other outstanding debt securities of that series, will constitute a single series of securities under the applicable indenture.

We will describe in the applicable prospectus supplement any other special considerations for any debt securities we sell which are denominated in a currency or currency unit other than U.S. dollars. In addition, debt securities may be issued where the amount of principal and/or interest payable is determined by reference to one or more currency exchange rates, commodity prices, equity indices or other factors. Holders of such securities may receive a principal amount or a payment of interest that is greater than or less than the amount of principal or interest otherwise payable on such dates, depending upon the value of the applicable currencies, commodities, equity indices or other factors. Information as to the methods for determining the amount of principal or interest, if any, payable on any date, the currencies, commodities, equity indices or other factors to which the amount payable on such date is linked.

United States federal income tax consequences and special considerations, if any, applicable to any such series will be described in the applicable prospectus supplement. Unless we inform you otherwise in the applicable prospectus supplement, the debt securities will not be listed on any securities exchange.

We expect most debt securities to be issued in fully registered form without coupons and in denominations of U.S. $2,000 and any integral multiples of $1,000 in excess thereof. Subject to the limitations provided in the applicable indenture and in the prospectus supplement, debt securities that are issued in registered form may be transferred or exchanged at the designated corporate trust office of the trustee, without the payment of any service charge, other than any tax or other governmental charge payable in connection therewith.

Global Securities

Unless we i Building Products--Cement/Aggregates 612 Finansbank..... FINBN Commercial Banks 608 ---------- Source: Bloomberg, Istanbul Stock Exchange (1) As of January 26, 2004. The ISE National 100 Index (the "TRA"), a commonly used measure of the Turkish stock markets, has been calculated since the inception of the ISE. The TRA, a capitalization-weighted price index, is comprised of National Market companies except investment trusts. The constituents of the Index are selected on the basis of pre-determined criteria established for companies to be included in the Index. The ISE Executive Council determines which securities will be included in the Index, and evaluate each company based on their market capitalization, operating history and liquidity, among other factors.
---------- 64 CENTRAL EUROPEAN, RUSSIAN AND TURKISH ECONOMIES AND MARKETS ---------- The constituents of the Index are subject to quarterly review and adjustment. The ISE National 100 Index contains the ISE National 50 and ISE National 30 companies. All Turkish lira-based ISE indices are also expressed and published in U.S. dollar terms. The following table presents the annual performance in U.S. dollar terms of the TRA, along with the U.S. dollar-denominated returns of the Turkish currency, the lira ("TRL"), between 1999 and 2003. Annual Returns of the Turkish Stock Markets(1) and Currency (in USD $) 1999 2000 2001 2002 2003
---------- ISE National 100 Index ("TRA")..... 240.83% (50.12)% (32.17)% (34.47)% 112.84% Lira ("TRL")..... (42.04) (18.58) (53.90) (12.39) 17.68 ---------- Source: Bloomberg (2) Simple appreciation only. Does not include dividends reinvested. ---------- 65
---------- Description of common stock GENERAL All shares of common stock are equal as to earnings, assets, dividends, liquidation and voting privileges and, when issued, will be fully paid and nonassessable. There are no conversion, pre-emptive or other subscription rights. In the event of liquidation, each share of common stock is entitled to its proportion of our assets after debts and expenses. Stockholders are entitled to one vote per share and do not have cumulative voting rights. Our outstanding common stock is listed on the NYSE under the symbol "CEE," as will be the shares offered for subscription in this rights offering. Our common stock is also listed on the Regulated Market Segment (Geregelter Markt) of the Frankfurt Stock Exchange. The rights are transferable and application will be made to list them on the NYSE under the symbol "CEE.RT." Set forth below is information with respect to our common stock as of February 11, 2004: AMOUNT OUTSTANDING AMOUNT HELD BY US (EXCLUSIVE OF OUR TITLE OF CLASS AMOUNT AUTHORIZED OR FOR OUR ACCOUNT HOLDINGS) ---------- ---------- ---------- ---------- Common Stock $.001 par value..... 80,000,000 5,864,442 7,641,532 We have no present intention of offering additional shares, other than pursuant to this rights offering, except that additional shares may be issued under our dividend reinvestment plan. For information about our dividend reinvestment plan, see "Voluntary Cash Purchase Program and Dividend Reinvestment Plan" in this prospectus. Additional offerings of our common stock, if made, will require approval of our board of directors and will be subject to the requirements of the Investment Company Act that common stock may not be sold at a price below the then current net asset value (exclusive of underwriting discounts and commissions) except in connection with an offering to existing stockholders or with the consent of a majority of our outstanding stockholders. PROVISIONS OF OUR ARTICLES OF INCORPORATION AND BYLAWS AFFECTING CHANGE OF CONTROL AND EXTRAORDINARY TRANSACTIONS We have provisions in our articles of incorporation and bylaws that could have the effect of delaying, deferring, preventing or otherwise limiting the ability of other entities or persons to acquire control of us, to cause us to engage in certain transactions or to modify our structure. Our board of

directors is divided into three classes each having a term of three years. Each year, the term of one class expires and the successor or successors elected to that class will serve for a three-year term. This provision could delay for up to two years the replacement of a majority of our board of directors by our stockholders. A director may be removed from office only by the affirmative vote of at least two-thirds of all the votes entitled to be cast by our stockholders generally in the election of directors. Except as otherwise required by law, any vacancy created on our board of directors can be filled only by the affirmative vote of the remaining directors in office. Our bylaws generally require that advance notice be given to us in the event a stockholder desires to nominate a person for election to the board of directors or to transact any other business at a meeting of stockholders. In addition, the affirmative vote of the holders of two-thirds of our outstanding shares is required to authorize our dissolution or any of the following transactions: + the merger or consolidation of us with or into any open-end investment company; + the sale of all or substantially all of our assets; or ---------- 66 DESCRIPTION OF COMMON STOCK ---------- + any amendment to our articles of incorporation which makes the common stock a redeemable security or reduces the two-thirds vote required to authorize the actions listed in clauses (1) through (3). The full text of these provisions can be found in our articles of incorporation and bylaws, on file with the SEC, as described under "Available Information" in this prospectus. These provisions could have the effect of depriving stockholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of us in a tender offer or similar transaction. Our board of directors believes that the provisions of our articles of incorporation and bylaws described above provide the advantage of greater assurance of continuity of board and management composition and policies. The supermajority voting requirements are generally greater than the minimum voting requirements imposed on us by the Investment Company Act and Maryland law. Our board of directors has determined that the foregoing provisions are in the best interests of stockholders generally. ---------- 67 ---------- Dividends and distributions We distribute to stockholders, at least annually, substantially all of our net investment income and net realized capital gains. Distributions are made in cash or in common stock with the option to receive cash. Stockholders entitled to a distribution to be made in common stock with the option to receive cash may elect to receive cash by timely returning a completed option card to Investors Bank & Trust Company, our dividend-paying agent. The following table shows the history of dividends and distributions we distributed to stockholders: ORDINARY LONG-TERM RECORD DATE INCOME CAPITAL GAINS TOTAL ---------- 12/22/ 2003..... $0.22 $0.22 11/19/2001..... $0.23 $0.23 11/16/1998..... $0.14 $0.14 9/01/1998..... $0.01 $0.01 $0.02 11/17/1997..... $1.54 $5.01 $6.55 9/03/1997..... $0.02 $0.02 12/19/1996..... $0.11 $1.79 $1.90 12/27/1995..... $0.16 $0.22 $0.38 12/29/1994..... $0.20 $0.20 12/28/1993..... $0.08 $0.08 12/28/1992..... $0.17 $0.13 $0.30 9/05/1991..... $0.02 $0.02 12/04/1990..... $0.22 $0.04 $0.26 ---------- 68 ---------- Voluntary cash purchase program and dividend reinvestment plan GENERAL We offer stockholders a Voluntary Cash Purchase Program and Dividend Reinvestment Plan which provides for optional cash purchases and for the automatic reinvestment of dividends and distributions payable by us in additional shares of our common stock. A more complete description of the plan is provided in the plan brochure available from Investors Bank & Trust Company, the plan agent, Shareholder Services, P.O. Box 642, OPS 22, Boston, Massachusetts 02117-0642 (telephone 1-800-437-6269). Under the Plan, participating stockholders appoint the plan agent to receive or invest our distributions. In addition, participating stockholders may make optional cash purchases of our shares through the plan agent as often as once a month. There is no charge to participating stockholders for participating in the plan, although when shares are purchased under the plan by the plan agent on the NYSE or otherwise on the open market, each participating stockholder will pay a pro rata share of brokerage commissions incurred in connection with these purchases. REINVESTMENT OF FUND SHARES Whenever we declare a capital gains distribution, an income dividend or a return of capital distribution payable, at the election of stockholders, either in cash or in our shares of common stock, the plan agent will automatically elect to receive our shares for the account of each participating stockholder. Whenever we declare a capital gains distribution, an income dividend or a return of capital distribution payable only in cash and the net asset value per share of our common stock equals or is less than the market price per share on the valuation date (the market parity or premium), the plan agent will apply the amount of that dividend or distribution payable to a participating stockholder to the purchase from us of our shares for a participating stockholder's account, except that if we do not offer shares for this purpose because we conclude Securities Act registration would be required and such registration cannot be timely effected or is not otherwise a cost-effective alternative for us, then the plan agent will follow the procedure described in the next paragraph. The number of additional shares to be credited to a participating stockholder's account will be determined by dividing the dollar amount of the distribution payable to a participating stockholder by the net asset value per share of our common stock on the valuation date, or if the net asset value per share is less than 95% of the market price per share on such date, then by 95% of the market price per share. The valuation date will be the payable date for the dividend or distribution. Whenever we declare a capital gains distribution, an income dividend or a return of capital distribution payable only in cash and the net asset value per share of our common stock exceeds the market price per share on the valuation date (the market discount), the plan agent will apply the amount of that dividend or distribution payable to a participating stockholder (less a participating stockholder's pro rata share of brokerage commissions incurred with respect to open-market purchases in connection with the reinvestment of that dividend or distribution) to the purchase on the open market of our shares for a participating stockholder's account. The valuation date will be the payable date for the dividend or distribution. ---------- 69 VOLUNTARY CASH PURCHASE PROGRAM AND DIVIDEND REINVESTMENT PLAN ---------- VOLUNTARY CASH PURCHASES Participating stockholders have the option of making investments in our shares through the plan agent as often as once a month. Participating stockholders may invest as little as $100 in any month and may invest up to $36,000 annually through the voluntary cash purchase feature of the plan. The plan agent will apply these funds (less a participating stockholder's pro rata share of brokerage commissions or other costs, if any) to the purchase on the NYSE (or, if different, on the principal exchange for our shares) or otherwise on the open market for the participating stockholder's account, regardless of

whether there is a market parity or premium or a market discount. ENROLLMENT AND WITHDRAWAL Both current stockholders and first-time investors are eligible to participate in the plan. Current stockholders may join the plan by either enrolling their shares with the plan agent or by making an initial cash deposit of at least $250 with the plan agent. First-time investors may join the plan by making an initial cash deposit of at least $250 with the plan agent. Stockholders who hold our shares in the name of a brokerage firm, bank or other nominee should contact their nominee to arrange for it to participate in the plan on the stockholder's behalf. Participating stockholders may withdraw from the plan without charge by written notice to the plan agent. Participating stockholders who choose to withdraw may elect to receive stock certificates representing all of the full shares held by the plan agent on their behalf, or to instruct the plan agent to sell these full shares and distribute the proceeds, net of brokerage commissions, to the withdrawing participating stockholders. Withdrawn participating stockholders will receive a cash adjustment for the market value of any fractional shares held on their behalf at the time of termination. AMENDMENT AND TERMINATION OF PLAN The plan may be amended or supplemented by us or by the plan agent only by giving each participating stockholder written notice at least 90 days prior to the effective date of the amendment or supplement, except that the notice period may be shortened when necessary or appropriate in order to comply with applicable law or the rules or policies of the SEC or any other regulatory body. The plan may be terminated by us or by the plan agent by written notice mailed to each participating stockholder. Termination will be effective with respect to all distributions with a record date at least 90 days after the mailing of written notice to the participating stockholders. FEDERAL TAX IMPLICATIONS OF REINVESTMENT OF FUND SHARES Reinvestment in our shares does not relieve participating stockholders from any income tax which may be payable on dividends or distributions. For U.S. federal income tax purposes, when we issue shares representing an income dividend or a capital gains dividend, a participating stockholder will include in income fair market value of the shares received as of the payment date, which will be taxed in the same manner as if cash had been received. The shares will have a tax basis equal to the fair market value, and the holding period for the shares will begin on the day after the date of distribution. If shares are purchased on the open market by the plan agent, a participating stockholder will include in income the amount of the cash payment made. The basis of the shares will be the purchase price of the shares, and the holding period for the shares will begin on the day following the date of purchase. State, local and foreign taxes may also be applicable. For more information about taxation, see "Taxation" below.

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Taxation DISTRIBUTIONS AND TAX MATTERS The following is a summary of certain tax considerations generally affecting us and our stockholders. This section is based on the Internal Revenue Code of 1986, as amended (the "Code"), published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Please consult your own tax advisor concerning the consequences of investing in us in your particular circumstances under the Code and the laws of any other taxing jurisdiction. QUALIFICATION AS A REGULATED INVESTMENT COMPANY We have elected to be taxed as a regulated investment company under Subchapter M of the Code and intend to meet all other requirements that are necessary for us to be relieved of federal taxes on income and gains we distribute to stockholders. As a regulated investment company, we are not subject to federal income tax on the portion of our net investment income (i.e., our investment company taxable income, as that term is defined in the Code, without regard to the deduction for dividends paid) and net capital gain (i.e., the excess of net long-term capital gain over net short-term capital loss) that we distribute to stockholders, provided that we distribute at least 90% of the sum of our net investment income for the year (the "Distribution Requirement") and satisfy certain other requirements of the Code that are described below. In addition to satisfying the Distribution Requirement, we must derive at least 90% of our gross income from dividends, interest, certain payments with respect to loans of stock and securities, gains from the sale or disposition of stock, securities or foreign currencies and other income (including but not limited to gains from options, futures or forward contracts) derived with respect to our business of investing in those stocks, securities or currencies. We must also satisfy an asset diversification test in order to qualify as a regulated investment company. Under this test, at the close of each quarter of our taxable year, (1) 50% or more of the value of our assets must be represented by cash, United States government securities, securities of other regulated investment companies, and other securities, with these other securities limited, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not greater than 10% of the outstanding voting securities of that issuer, and (2) not more than 25% of the value of our total assets may be invested in securities of any one issuer (other than U.S. government securities or securities of other regulated investment companies), or of two or more issuers which we control and which are engaged in the same, similar or related trades or businesses. If for any year we do not qualify as a regulated investment company, all of our taxable income (including our net capital gain) will be subject to tax at regular corporate rates without any deduction for distributions to stockholders. These distributions will generally be taxable to individual stockholders as qualified dividend income, as discussed below, and generally will be eligible for the dividends received deduction in the case of corporate stockholders. In addition, we could be required to recognize unrealized gains, pay taxes and make distributions (which could be subject to interest charges) before requalifying for taxation as a regulated investment company. EXCISE TAX ON REGULATED INVESTMENT COMPANIES A 4% non-deductible federal excise tax is imposed on a regulated investment company to the extent that it distributes income in such a way that it is taxable to stockholders in a calendar year other than the calendar year in which the regulated investment company earned the income. Specifically, the excise tax will be imposed if the regulated investment company fails to distribute in each calendar year

---------- 71 TAXATION ----------

at least an amount equal to the sum of (1) 98% of qualified dividend income and ordinary taxable income for the calendar year and (2) 98% of capital gain net income (adjusted for certain ordinary losses) for the one-year period ending on October 31 of this calendar year (or, at the election of a regulated investment company having a taxable year ending November 30 or December 31, for its taxable year) and (3) any ordinary income and capital gains for previous years that were not distributed during those years. The balance of this income must be distributed during the next calendar year. For the foregoing purposes, a regulated investment company is treated as having distributed otherwise retained amounts if it is subject to income tax on those amounts for any taxable year ending in such calendar year. We intend to make sufficient distributions or deemed distributions of our qualified dividend income, ordinary income and capital gain net income prior to the end of each calendar year to avoid liability for this excise tax. However, investors should note that we may in certain circumstances be required to liquidate portfolio investments to make sufficient distributions to avoid excise tax liability. FUND INVESTMENTS We may make investments or engage in transactions that affect the character, amount and timing of gains or losses that we

realized. We may make investments that produce income that is not matched by a corresponding cash receipt by us. Any of this income would be treated as income earned by us and therefore would be subject to the distribution requirements of the Code. These investments may require us to borrow money or dispose of other securities in order to comply with those requirements. We may also make investments that prevent or defer the recognition of losses or the deduction of expenses. These investments may likewise require us to borrow money or dispose of other securities in order to comply with the distribution requirements of the Code. Additionally, we may make investments that result in the recognition of ordinary income rather than capital gain or that prevent us from accruing a long-term holding period. These investments may prevent us from making capital gain distributions as described below. We intend to monitor our transactions, will make the appropriate tax elections and will make the appropriate entries in our books and records when we make any of these investments in order to mitigate the effect of these rules. We invest in equity securities of foreign issuers. If we purchase shares in certain foreign corporations (referred to as passive foreign investment companies ("PFICs") under the Code), we may be subject to federal income tax on a portion of any "excess distribution" from this foreign corporation, including any gain from the disposition of these shares, even if the income is distributed by us to our stockholders. In addition, certain interest charges may be imposed on us as a result of these distributions. If we were to invest in an eligible PFIC and elected to treat the PFIC as a qualified electing fund (a "QEF"), in lieu of the foregoing requirements, we would be required to include each year in our income and distribute to stockholders in accordance with the distribution requirements of the Code a pro rata portion of the QEF's ordinary earnings and net capital gain, whether or not distributed to us by the QEF. Alternatively, we generally will be permitted to "mark to market" any shares we hold in a PFIC. If we make such an election, we would be required to include in income each year and distribute to stockholders in accordance with the distribution requirements of the Code, an amount equal to the excess, if any, of the fair market value of the PFIC stock as of the close of the taxable year over the adjusted basis of this stock at that time. We would be allowed a deduction for the excess, if any, of the adjusted basis of the PFIC stock over its fair market value as of the close of the taxable year, but only to the extent of any net mark-to-market gains with respect to the stock included by us for prior taxable years. We will make appropriate basis adjustments in the PFIC stock to take into account the mark-to-market amounts. Notwithstanding any election that we make, dividends attributable to distributions from a foreign corporation will not be eligible for the special tax rates applicable to qualified dividend income if the

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foreign corporation is a PFIC either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income. FUND DISTRIBUTIONS We anticipate distributing substantially all of our net investment income for each taxable year. Dividends of net investment income paid to a noncorporate U.S. stockholder before January 1, 2009 that are designated as qualified dividend income will generally be taxable to this stockholder at a maximum rate of 15%. However, the amount of income that we may so designate will generally be limited to the aggregate amount of qualified dividend income we receive. Higher tax rates will be reimposed after 2008 unless further legislative action by Congress is taken. We cannot assure you as to what percentage of the dividends paid on the shares, if any, will consist of qualified dividend income or long-term capital gains, both of which are taxed at lower rates for individuals than are ordinary income and short-term capital gains. In addition, we must meet certain holding period and other requirements with respect to the shares on which we receive the eligible dividends, and the noncorporate U.S. stockholder must meet certain holding period and other requirements with respect to our shares. Dividends of net investment income that are not designated as qualified dividend income and dividends of net short-term capital gains will be taxable to stockholders at ordinary income rates. Dividends paid by us with respect to a taxable year will qualify for the 70% dividends received deduction generally available to corporations to the extent of the amount of dividends we receive from certain domestic corporations for the taxable year. Stockholders will be advised annually as to the U.S. federal income tax consequences of distributions made (or deemed made) during the year, including the portion of dividends paid that qualify for the reduced tax rate. Ordinarily, stockholders are required to take taxable distributions by us into account in the year in which the distributions are made. However, for federal income tax purposes, dividends that are declared by us in October, November or December as of a record date in such month and actually paid in January of the following year will be treated as if they were paid on December 31 of the year declared. Therefore, these dividends will generally be taxable to a stockholder in the year declared rather than the year paid. We may either retain or distribute to stockholders our net capital gain for each taxable year. We currently intend to distribute any of these amounts. If net capital gain is distributed and designated as a "capital gain dividend", it will be taxable to stockholders as long-term capital gain, regardless of the length of time the stockholder has held his shares or whether this gain was recognized by us prior to the date on which the stockholder acquired its shares. Capital gain of a noncorporate U.S. stockholder that is recognized before January 1, 2009 is generally taxed at a maximum rate of 15% where the property is held by us for more than one year. Capital gain of a corporate stockholder is taxed at the same rate as ordinary income. Conversely, if we elect to retain our net capital gain, we will be taxed thereon (except to the extent of any available capital loss carryovers) at the 35% corporate tax rate. In such a case, it is expected that we also will elect to have stockholders of record on the last day of our taxable year treated as if each received a distribution of its pro rata share of this gain, with the result that each stockholder will be required to report its pro rata share of this gain on its tax return as long-term capital gain, will receive a refundable tax credit for its pro rata share of tax paid by us on the gain and will increase the tax basis for its shares by an amount equal to the deemed distribution less the tax credit. Distributions by us that do not constitute qualified dividend income, ordinary income dividends or capital gain dividends will be treated as a return of capital to the extent of (and in reduction of) the stockholder's tax basis in its shares; any excess will be treated as gain from the sale of its shares, as discussed below.

Distributions by us will be treated in the manner described above regardless of whether these distributions are paid in cash or reinvested in additional shares of our common stock (or of shares of another fund). Stockholders receiving a distribution in the form of additional shares will be treated as receiving a distribution in an amount equal to the fair market value of the shares received, determined as of the reinvestment date. In addition, prospective investors should be aware that distributions from us will, all other things being equal, have the effect of reducing the net asset value of our shares by the amount of the distribution. If the net asset value is reduced below a stockholder's cost, the distribution will nonetheless be taxable as described above, even if the distribution effectively represents a return of invested capital. Investors should consider the tax implications of buying shares just prior to a distribution, when the price of shares may reflect the amount of the forthcoming distribution. SALE OR REDEMPTION OF SHARES A stockholder will

recognize gain or loss on the sale or redemption of our shares in an amount equal to the difference between the proceeds of the sale or redemption and the stockholder's adjusted tax basis in the shares. All or a portion of any loss so recognized may be disallowed if the stockholder acquires other shares of us within a period of 61 days beginning 30 days before and ending 30 days after that disposition, such as pursuant to reinvestment of a dividend in our shares. Additionally, if a stockholder disposes of our shares within 90 days following their acquisition, and the stockholder subsequently re-acquires our shares pursuant to a reinvestment right received upon the purchase of the original shares, any load charge (i.e., sales or additional charge) incurred upon the acquisition of the original shares will not be taken into account as part of the stockholder's basis for computing profit or loss upon the sale of the shares. In general, any gain or loss arising from (or treated as arising from) the sale or redemption of our shares will be considered capital gain or loss and will be long-term capital gain or loss if the shares were held for more than one year. However, any capital loss arising from the sale or redemption of shares held for six months or less will be treated as a long-term capital loss to the extent of the amount of capital gain dividends received on (or undistributed capital gains credited with respect to) those shares. Capital gain of a noncorporate U.S. stockholder that is recognized before January 1, 2009 is generally taxed at a maximum rate of 15% where the property is held by the stockholder for more than one year. Capital gain of a corporate stockholder is taxed at the same rate as ordinary income. BACKUP WITHHOLDING We will be required in certain cases to backup withhold and remit to the U.S. Treasury a portion of qualified dividend income, ordinary income dividends and capital gain dividends, and the proceeds of redemption of shares, paid to any stockholder (1) who has provided either an incorrect tax identification number or no number at all, (2) who is subject to backup withholding by the IRS for failure to report the receipt of interest or dividend income properly or (3) who has failed to certify to us that it is not subject to backup withholding or that it is a corporation or other "exempt recipient". Backup withholding is not an additional tax and any amounts withheld may be refunded or credited against a stockholder's federal income tax liability, provided the appropriate information is furnished to the IRS. FOREIGN STOCKHOLDERS Taxation of a stockholder who, as to the United States, is a nonresident alien individual, foreign trust or estate, foreign corporation, or foreign partnership ("foreign stockholder") depends on whether the income from us is "effectively connected" with a U.S. trade or business carried on by this stockholder. If the income from us is not effectively connected with a U.S. trade or business carried on by a foreign ---------- 74 TAXATION ---------- stockholder, dividends paid to this foreign stockholder from net investment income will be subject to U.S. withholding tax at the rate of 30% (or lower treaty rate) on the gross amount of the dividend. This foreign stockholder would generally be exempt from U.S. federal income tax, including withholding tax, on gains realized on the sale of our shares, capital gain dividends and amounts retained by us that are designated as undistributed capital gains. However, a foreign stockholder who is a nonresident alien individual and is physically present in the United States for more than 182 days during the taxable year and meets certain other requirements will nevertheless be subject to a U.S. tax of 30% on such gains realized on the sale of our shares, capital gain dividends and amounts retained by us that are designated as undistributed capital gains. If the income from us is effectively connected with a U.S. trade or business carried on by a foreign stockholder, then ordinary income dividends, capital gain dividends, undistributed capital gains credited to this stockholder and any gains realized upon the sale of our shares will be subject to U.S. federal income tax at the graduated rates applicable to U.S. citizens or domestic corporations. Foreign corporate stockholders may also be subject to the branch profits tax imposed by the Code. In the case of foreign noncorporate stockholders, we may be required to backup withhold U.S. federal income tax on distributions that are otherwise exempt from withholding tax (or taxable at a reduced treaty rate) unless those stockholders furnish us with proper notification of their foreign status. The tax consequences to a foreign stockholder entitled to claim the benefits of an applicable tax treaty may be different from those described herein. Foreign stockholders are urged to consult their own tax advisers with respect to the particular tax consequences to them of an investment in us, the procedure for claiming the benefit of a lower treaty rate and the applicability of foreign taxes. Transfers by gift of our shares by an individual foreign stockholder will not be subject to U.S. federal gift tax, but the value of our shares held by this stockholder at his death will generally be includible in his gross estate for U.S. federal estate tax purposes, subject to any applicable estate tax treaty. FOREIGN TAXES We may be subject to foreign withholding taxes or other foreign taxes with respect to income (possibly including, in some cases, capital gain) received from sources within foreign countries. So long as more than 50% of the value of our total assets at the close of the taxable year consists of stock or securities of foreign issuers, we may elect to treat any foreign income taxes paid by us as paid directly by our stockholders. If we make the election, each stockholder will be required to (i) include in gross income, even though not actually received, its pro rata share of our foreign income taxes, and (ii) either deduct (in calculating U.S. taxable income) or credit (in calculating U.S. federal income tax) its pro rata share of our income taxes. A foreign tax credit may not exceed the U.S. federal income tax otherwise payable with respect to the foreign source income. For this purpose, each stockholder must treat as foreign source gross income (i) its proportionate share of foreign taxes paid by us and (ii) the portion of any actual dividend paid by us which represents income derived from foreign sources; the gain from the sale of securities will generally be treated as U.S. source income and certain foreign currency gains and losses likewise will be treated as derived from U.S. sources. This foreign tax credit limitation is, with certain exceptions, applied separately to separate categories of income; dividends from us will be treated as "passive" or "financial services" income for this purpose. The effect of this limitation may be to prevent stockholders from claiming as a credit the full amount of their pro rata share of our foreign income taxes. In addition, the foreign tax credit is allowed to offset only 90% of the alternative minimum tax imposed on corporations and individuals, and stockholders will not be eligible to claim a foreign tax credit with respect to foreign income taxes paid by us unless certain holding period requirements are met.

---------- 75 TAXATION ---------- We will make such an election only if we deem it to be in the best interest of our stockholders. A stockholder not subject to U.S. tax may prefer that this election not be made. We will notify stockholders in writing each year if we make the election and of the amount of foreign income taxes, if any, to be passed through to the stockholders and the amount of foreign taxes, if any, for which our stockholders will not be eligible to claim a foreign tax credit because the holding period requirements (described above) have not been satisfied. STATE AND LOCAL TAX MATTERS Depending on the residence of the stockholders for tax purposes, distributions may also be subject to state and local taxes. Rules of state and local taxation regarding qualified dividend income, ordinary income dividends and capital gain dividends from regulated investment companies may differ from the U.S. federal income tax rules in other respects. Stockholders are urged to consult their tax advisers as to the consequences of these and other state and local tax rules affecting

investment in us. Custodians, dividend-paying agent, transfer agent and registrar Investors Bank and Trust Company ("IBT"), with principal offices at 200 Clarendon Street, Boston, Massachusetts 02116, acts as our custodian, dividend-paying agent, transfer agent and registrar. IBT has agreements with a global network of sub-custodians, which, together with IBT, maintain custody of our portfolio securities and cash. Experts The financial statements, at October 31, 2003, incorporated by reference in this prospectus and in the SAI have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent auditors, given on their authority as experts in auditing and accounting. The principal business address of PwC is 1177 Avenue of the Americas, New York, New York, 10036. Validity of shares The validity of the shares offered in this rights offering will be passed on for us by Sullivan & Cromwell LLP, New York, New York and for the dealer manager by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois. ---------- 76 ---------- Table of contents of statement of additional information PAGE ---------- General information..... B-2 Investment objective and policies..... B-2 Investment restrictions..... B-5 Net asset value..... B-6 Management..... B-8 Control persons and principal holders of securities..... B-16 Investment advisory and other services..... B-17 Brokerage allocation and other practices..... B-18 Financial statements..... F-1 ---------- 77 ---------- ---------- NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY US. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF US SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE. IN THE EVENT THAT A MATERIAL CHANGE IN OUR AFFAIRS OCCURS SUBSEQUENT TO THE DATE HEREOF, A SUPPLEMENTAL PROSPECTUS WILL BE DISTRIBUTED IN ACCORDANCE WITH APPLICABLE LAW. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY SUCH SECURITIES IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. ---------- TABLE OF CONTENTS PAGE ---- Available Information..... 3 Prospectus Summary..... 4 Fee Table..... 10 Financial Highlights..... 11 Market and Net Asset Value Information..... 13 Our Rights Offering..... 14 Use of Proceeds..... 26 Investment Objective and Policies..... 26 Risk Factors and Special Considerations..... 30 Our Management..... 38 Central European, Russian and Turkish Economies and Markets..... 41 Description of Common Stock..... 66 Dividends and Distributions..... 68 Voluntary Cash Purchase Program and Dividend Reinvestment Plan..... 69 Taxation..... 71 Custodians, Dividend-Paying Agent, Transfer Agent and Registrar..... 76 Experts..... 76 Validity of Shares..... 76 Table of Contents of Statement of Additional Information..... 77 ---------- ---------- ---------- ---------- [LOGO] THE CENTRAL EUROPE AND RUSSIA FUND, INC. 2,555,677 SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF RIGHTS TO SUBSCRIBE FOR SUCH SHARES ---------- PROSPECTUS ---------- UBS INVESTMENT BANK , 2004 ---------- ---------- ---------- Subject to Completion, dated February 13, 2004 THE CENTRAL EUROPE AND RUSSIA FUND, INC. STATEMENT OF ADDITIONAL INFORMATION This Statement of Additional Information (the "SAI") is not a prospectus, but should be read in conjunction with our prospectus dated , 2004. This SAI does not include all information that a prospective investor should consider before purchasing our shares, and investors should obtain and read the prospectus prior to purchasing shares. A copy of the prospectus may be obtained without charge, by calling our information agent at. This SAI incorporates by reference the entire prospectus. Defined terms used in this SAI have the same meaning as provided in the prospectus. The date of this SAI is , 2004. TABLE OF CONTENTS PAGE ---------- General information..... B-2 Investment objective and policies..... B-2 Investment restrictions..... B-5 Net asset value..... B-6 Management..... B-8 Control persons and principal holders of securities..... B-16 Investment advisory and other services..... B-17 Brokerage allocation and other practices..... B-18 Financial statements..... F-1 THE INFORMATION CONTAINED IN THIS SAI IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. ---------- B- 1 ---------- General information We were incorporated in Maryland on February 6, 1990 as The United Germany Fund, Inc. On February 15, 1990, we changed our name to The Future Germany Fund, Inc., and thereafter commenced investment operations under that name. On June 29, 1995, we changed our name to The Central European Equity Fund, Inc. On June 25, 2003, we changed our name to the current one, The Central Europe and Russia Fund, Inc. Investment objective and policies Our investment objective is to seek long-term capital appreciation through investment primarily in equity and equity-linked securities of issuers domiciled in Central Europe and Russia. We may not be able to achieve our objective. For a more detailed discussion of our investment objective and policies, see "Investment Objective and Policies" on page 25 of the prospectus. The following is a discussion of other investment policies and practices with respect to warrants, participation certificates, futures and options, fixed income securities, securities lending and currency transactions and the special considerations relevant to these practices that supplements the material contained in the prospectus. For purposes of policies and practices discussed below, all percentage limitations apply only immediately after a transaction, and any subsequent change in any applicable percentage resulting from changing values will not require elimination of any security from our portfolio. WARRANTS We may also invest in warrants if consistent with our investment objective. The warrants in which we may invest are a type of security, usually issued together with

another security of an issuer, that entitles the holder to buy a fixed amount of common or preferred stock of that issuer at a specified price for a fixed period of time (which may be in perpetuity). Warrants are commonly issued attached to other securities of the issuer as a method of making these securities more attractive and are usually detachable and thus may be bought or sold separately from the issued security. Warrants can be a speculative instrument. The value of a warrant may decline because of a decrease in the value of the underlying stock, the passage of time or a change in perception as to the potential of the underlying stock, or any combination thereof. If the market price of the underlying stock is below the exercise price set forth in the warrant on the expiration date, the warrant will expire worthless. Publicly traded warrants currently exist with respect to the stock of a significant number of European companies. PARTICIPATION CERTIFICATES Certain German, Swiss and Austrian companies have issued participation certificates ("Participation Certificates" or "Genuss-Scheine"), which entitle the holder to participate only in dividend distributions, generally at rates above those declared on the issuers' common stock, but not to vote, nor usually to any claim for assets in liquidation. Participation Certificates trade like common stock, either in the over-the-counter market or through the relevant stock exchanges. These securities may have higher yields; however, they may be less liquid than common stock. We may invest in Participation Certificates of issuers in any European country or Russia. ---------- B- 2 INVESTMENT OBJECTIVE AND POLICIES ---------- FUTURES AND OPTIONS For hedging purposes, we may also purchase put and call options on stock of European or Russian issuers and, to the extent permitted by applicable United States law, invest in the index and bond futures and any other derivative securities listed on any organized exchange. Options are contracts which give the buyer the right, but not the obligation, to buy or sell a fixed amount of securities at a fixed price for a fixed period of time. A futures contract is a binding obligation to purchase or deliver the specific type of financial instrument, or the cash equivalent of this instrument in certain circumstances, called for in the contract at a specific price at a future date. We will only invest in options or futures in an attempt to hedge against changes or anticipated changes in the value of particular securities in our portfolio or all or a portion of our portfolio. We will not invest in options or futures if, immediately thereafter, more than the amount of our total assets would be hedged. For hedging purposes, we may also purchase put and call options on bonds and other securities, as well as securities indices, if and when such investments become available. We may invest in other options, futures and options on futures with respect to any securities or securities indices compatible with our investment objective that may from time to time become available on any organized exchange, if permitted by applicable law. We may also write (also referred to as "selling") covered call options on our portfolio securities and appropriate securities indices for purposes of generating income. We may write covered call options on portfolio securities and appropriate securities indices up to the amount of our entire portfolio. A call option gives the holder the right to purchase the underlying securities from us at a special price (the "exercise price") for a stated period of time (usually three, six or nine months). Prior to the expiration of the option, the writer (also referred to as the "seller") of the option has an obligation to sell the underlying security to the holder of the option at the exercise price regardless of the market price of the security at the time the option is exercised. The initial purchaser of an option pays the writer a premium, which is paid at time of purchase and is retained by the writer whether or not the option is exercised. A "covered" call option means that so long as we are obligated as the writer of the option, we will own: + the underlying securities subject to the option; + securities convertible or exchangeable without the payment of any consideration into the securities subject to the option; or + warrants on the securities subject to the option exercisable at a price not greater than the option exercise price and, at the time the option is exercisable, the securities subject to the option. In the case of covered call options on securities indices, references to securities in the bullet points above will include such securities as the investment adviser believes approximate the index (but not necessarily all those comprising the index), as well as, in the case of the second two bullets, securities convertible, exchangeable or exercisable into the value of the index. The writing of a call option may involve the pledge of the underlying security which the call option covers, or other portfolio securities. In order to make use of our authority to write covered call options, we may pledge our assets. In the event the option is exercised, the writer may either deliver the underlying securities at the exercise price or if it does not wish to deliver its own securities, purchase new securities at a cost to the writer, which may be more than the exercise price premium received, and deliver the new securities for the exercise option. In the event the option is exercised, our potential for gain is limited to the difference between the exercise price plus the premium less the cost of the security. Alternatively, the option's position could be extinguished or closed out by purchasing a like option. It is possible, although considered unlikely, that we might be unable to execute such a closing purchase transaction. If the price of a security declines below the amount to be received from the exercise price less the

---------- B- 3 INVESTMENT OBJECTIVE AND POLICIES ---------- amount of the call premium received and if the option could not be closed out, we would hold a security which might otherwise have been sold to protect against depreciation. In addition, our portfolio turnover may increase to the extent that the market price of underlying securities covered by call options written by us increases and we have not entered into closing purchase transactions. Brokerage commissions associated with writing options transactions are normally higher than those associated with other securities transactions. FIXED INCOME SECURITIES We may also invest up to 20% of our total assets in fixed income securities of European or Russian issuers. Such investments may include debt instruments issued by private and public entities, including multinational lending institutions and supranational institutions if denominated in a European or Russian currency or composite currency, which have been determined by our investment manager and investment adviser to be of comparable credit quality to securities rated in the three highest categories by Moody's Investors Service, Inc. or Standard & Poor's Corporation. When selecting a debt instrument from among several investment opportunities, our investment manager and investment adviser will consider the potential for capital appreciation, taking into account maturity and yield considerations. For temporary defensive purposes, we also may invest in money market instruments denominated in U.S. dollars or in a European or the Russian currency or composite currency, including bank time deposits and certificates of deposit. LOANED SECURITIES We may also lend our portfolio securities to banks, securities dealers and other institutions meeting the creditworthiness standards established by our board of directors. We may lend our portfolio securities so long as the terms and the structure of such loans are not inconsistent with the Investment Company Act, which currently requires that: + the borrower pledge and maintain with us collateral consisting of cash, a letter of credit issued by a domestic United States bank or securities issued or guaranteed by the United States Government having a value at all times of not less than 100% of the value of the securities loaned; + the borrower add to such collateral whenever the price of the loaned securities rises (e.g., the value of the loan is "marked to market" on a daily basis); + the loan be made subject to termination by us at any

time; and + we receive reasonable interest on the loan (which may include a portion of the interest from our investing any cash collateral in interest bearing short-term investments). Any such collateral may be invested by us in repurchase agreements collateralized by securities issued or guaranteed by the United States Government. Any distributions on the loaned securities and any increase in their market value accrue to us. Loan arrangements made by us will comply with all other applicable regulatory requirements. All relevant facts and circumstances, including the creditworthiness of the borrowing institution, will be monitored by our investment manager and adviser, and will be considered in making decisions with respect to lending of securities, subject to review by our board of directors. We may pay reasonable negotiated fees in connection with loaned securities, so long as such fees are set forth in a written contract and approved by our board of directors. In addition, any voting rights may pass with the loaned securities, but if a material event were to occur affecting an investment on loan, the loan may be called and the securities voted. Any gain or loss in the market price of the loaned securities that may occur during the term of the loan will be for our account.
---------- B- 4 INVESTMENT OBJECTIVE AND POLICIES
---------- CURRENCY TRANSACTIONS We may attempt to hedge our foreign currency exposure by entering into forward currency contracts. We do not currently engage in foreign exchange transactions as an investment strategy. However, at such future time as our investment manager and investment adviser believe that one or more currencies in which our securities are denominated might suffer a substantial decline against the United States dollar, we may, in order to hedge the value of our portfolio, enter into forward contracts, e.g., to sell fixed amounts of such currencies for fixed amounts of United States dollars in the interbank market. A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. Our dealings in forward exchange transactions will be limited to hedging involving either specific transactions or portfolio positions. Transaction hedging is the purchase or sale of forward currency with respect to our specific receivables or payables, which will generally arise in connection with the purchase or sale of our portfolio securities. Position hedging is the sale of forward currency with respect to portfolio security positions denominated or generally quoted in that currency. We may engage in "conventional hedging," which involves entering into forward currency contracts to sell fixed amounts of a foreign currency (such as Polish zlotys) for fixed amounts of United States dollars in order to hedge the United States dollar value of our portfolio. We may also engage in "cross-hedging", which involves entering into forward currency contracts to sell fixed amounts of such foreign currency (such as Polish zlotys) for fixed amounts of another foreign currency to which we may seek exposure (such as euros). We may not position a hedge with respect to any currency to an extent greater than the aggregate market value (at the time of making such sale) of the securities held in our portfolio denominated or generally quoted in or currently convertible into such currency. If we enter into a hedging transaction, our custodian or subcustodian will place cash or United States Government or other liquid securities in a segregated account of ours in an amount equal to the value of our total assets committed to the consummation of the forward contract, which value will be adjusted on a daily basis. If the value of the securities placed in the segregated account declines, additional cash or securities will be placed in the account so that the value of the account will equal the amount of our commitment with respect to the contract. Investment restrictions In addition to its investment objective and the other investment policies described under "Investment Objective and Policies" above and in the prospectus, we have adopted certain investment restrictions, which are fundamental policies and may be changed only by the approval of a majority of our outstanding voting securities. Under the Investment Company Act, a "majority" means 67% of our shares present at a meeting of our stockholders if the owners of more than 50% of our shares then outstanding are present in person or by proxy or, if lower, more than 50% of our outstanding shares. We refer to this approval voting level as a "majority vote." For purposes of the restrictions listed below, all percentage limitations apply only immediately after a transaction, and any subsequent change in any applicable percentage resulting from changing values will not require elimination of any security from our portfolio. We may not: 1. purchase more than 10% of the voting securities of any single issuer; 2. invest 25% or more of our total assets in the securities of issuers in any one industry;
---------- B- 5 INVESTMENT RESTRICTIONS
---------- 3. issue senior securities, borrow money or pledge its assets, except that we may borrow for temporary or emergency purposes or for the clearance of transactions in amounts not exceeding 10% of the value of our total assets (not including the amount borrowed) and will not purchase securities while any of these borrowings are outstanding, and except that we may pledge our assets in connection with writing covered call options; 4. make real estate mortgage loans or other loans, except through the purchase of debt obligations consistent with our investment policies; 5. buy or sell commodities, commodity contracts, futures contracts, real estate or interests in real estate (other than as described under "Investment Objective and Policies--Portfolio Structure" in the prospectus and under "Investment Objective and Policies--Currency Transactions" in this SAI); 6. make short sales of securities or maintain a short position in any security; 7. buy, sell or write put or call options (other than as described under "Investment Objective and Policies--Portfolio Structure" on page 26 of the prospectus and under "Investment Objective and Policies--Futures and Options" on page B-3 in this SAI); 8. purchase securities on margin, except such short-term credits as may be necessary or routine for the clearance or settlement of transactions; 9. act as an underwriter, except to the extent we may be deemed to be an underwriter in connection with the sale of securities in our portfolio; or 10. purchase securities, the sale of which by us could not be effected without prior registration under the Securities Act, except that this restriction shall not preclude us from acquiring non-U.S. securities. We are classified as a "non-diversified" investment company under the Investment Company Act, which means we are not limited by the Investment Company Act in the proportion of our assets that may be invested in the securities of a single issuer. However, we conduct our operations so as to qualify as a "regulated investment company" for purposes of the Internal Revenue Code, which relieves us of any liability for Federal income tax to the extent that our earnings are distributed to stockholders. To so qualify, among other requirements, we must limit our investments so that, at the close of each quarter of the taxable year, (i) not more than 25% of the market value of our total assets may be invested in the securities of a single issuer or a group of related issuers and (ii) at least 50% of the market value of our total assets must be represented by cash, United States Government securities and other securities, with such other securities limited, in respect of any one issuer, to not more than 5% of the market value of our total assets and not more than 10% of the issuer's outstanding voting securities. For purposes of our policy not to invest 25% or more of the total value of our assets in a particular industry, our investment manager generally classifies the issuers of our portfolio securities according to the broad industry classification used by Standard & Poor's Corporation. Net asset value Net asset value per share is determined on each business day that the NYSE is open for trading as of 5:00 p.m. New York City time and

made available to stockholders. Effective February 17, 2004, we will change the time of calculating our net asset value per share to 11:30 a.m. New York City time and make it available to stockholders as soon as reasonably possible after the 11:30 a.m. calculation time, currently expected to be in the range of 1:00 p.m. to 2:00 p.m. New York City time. Net asset value per share is calculated by dividing the value of our net assets (the value of our assets less our ---------- B- 6 NET ASSET VALUE ---------- liabilities) by the total number of shares of our common stock outstanding. Any assets or liabilities initially expressed in terms of non-US dollar currencies are translated into U.S. dollars at the 10:00 a.m. mid-point of the buying and selling spot rates quoted by the Federal Reserve Bank of New York. All securities for which market quotations are readily available are valued at the last quoted sale price on the primary exchange on which they are traded prior to the time of determination. If no sale occurs on that business day or there is otherwise no last quoted sale price available at that time, and both bid and asked prices are available, the securities are valued at the mean between the last current bid and asked prices (but if no quoted asked prices are available, they are valued at the last quoted bid price). Unlisted securities and listed securities whose primary market is over-the-counter will be valued, if both bid and asked prices are available, at the mean between the last current bid and asked prices prior to the time of determination (but if no quoted asked prices are available, they are valued at the last quoted bid price). If bid and asked quotations are not available, then these securities are valued at their fair value as determined in good faith by or under the direction of our board of directors. Warrants issued separately from any other security will be valued upon their issuance and prior to commencement of trading at the stated value ascribed by the issuing entity. Warrants attached to other securities (also known as a unit) are given no separate value. Warrants that become detached from a unit are initially valued at the difference between the value of the unit prior to detachment and the value of the other security after detachment. Warrants are then valued at the quoted last sales price. Rights that are trading will be valued as any other equity security. If the rights are not trading and the shares resulting from exercising the rights are trading, then the rights will be valued at the market value of the new shares minus the cost to subscribe to the new shares multiplied by the subscription ratio. If the rights are not trading and the shares resulting from exercising the rights are not trading, then the rights are valued at their fair value as determined in good faith by or under the direction of our board of directors. Upon commencement of trading, both warrants and rights are valued as any other security. New shares initially issued resulting from the exercise of rights will be valued as any other security if the new shares are trading. If the new shares are not trading and the rights are still trading, then the shares will be valued at the market value of the number of rights needed to exercise to receive the new shares less the cost to subscribe to the new shares. If the rights are not trading and the new shares are not trading, then the shares are valued at their fair value as determined in good faith by or under the direction of our board of directors. Initial public offering securities will be initially valued at the offer price, and, upon commencement of trading, will be valued as any other security. Any securities tendered by us will continue to be valued at the closing market price until the tender is completed. Debt securities with a remaining maturity of 60 days or less at the time of purchase will be valued at amortized cost unless the circumstances indicate that amortized cost does not approximate fair value. Overnight repurchase agreements and other repurchase agreements maturing in seven days or less will be valued at par. Longer-term repurchase agreements will be valued at the bid quotations. All other securities and assets are valued at their fair value as determined in good faith by or under the direction of our board of directors.

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Management DIRECTORS AND OFFICERS The names and addresses of our directors and officers are set forth below, together with their positions and their principal occupations during the past five years and, in the case of directors, their positions with certain other organizations and companies. NUMBER OF PORTFOLIOS IN FUND TERM OF OFFICE AND COMPLEX(2) POSITION(S) LENGTH OF TIME PRINCIPAL OCCUPATION(S) OVERSEEN NAME, ADDRESS(1) & AGE WITH FUND SERVED DURING PAST FIVE YEARS BY DIRECTOR ---------- INTERESTED DIRECTORS(3) Detlef Bierbaum, 61(3) Director Since 1990. Partner of Sal. Oppenheim 2 Jr. & Cie KGaA (investment management). John Bult, 67(3) Director Since 1990. Chairman, PaineWebber 3 International (since 1985). Christian H. Strenger, Director Since 1990. Director (since 1999) and 3 60(3) Managing Director (1991- 1999) of DWS Investment GmbH (investment management). OTHER DIRECTORSHIPS HELD BY NAME, ADDRESS(1) & AGE DIRECTOR ---------- ---------- INTERESTED DIRECTORS(3) Detlef Bierbaum, 61(3) Director, The Germany Fund, Inc. (since 1986).(4) Member of the Supervisory Board, Tertia Handelsbeteiligungsgesel lschaft mbH (electronic retailer). Member of Supervisory Board, Douglas AG (retailer). Member of Supervisory Board, LVM Landwirtschaftlicher Versicherungsverein (insurance). Member of Supervisory Board, Monega KAG. Member of Supervisory Board, AXA Investment Managers. John Bult, 67(3) Director, The Germany Fund, Inc. (since 1986) and The New Germany Fund, Inc. (since 1990).(4) Director, The France Growth Fund, Inc. (closed-end fund). Director, The Greater China Fund, Inc. (closed end fund). Christian H. Strenger, Director, The Germany Fund, 60(3) Inc. (since 1986) and The New Germany Fund, Inc. (since 1990).(4) Member, Supervisory Board, Fraport AG (international airport business). Board member, Incepta PLC (media and advertising). ---------- B- 8 MANAGEMENT ---------- NUMBER OF PORTFOLIOS IN FUND TERM OF OFFICE AND COMPLEX(2) POSITION(S) LENGTH OF TIME PRINCIPAL OCCUPATION(S) OVERSEEN NAME, ADDRESS(1) & AGE WITH FUND SERVED DURING PAST FIVE YEARS BY DIRECTOR

---------- NON-INTERESTED DIRECTORS Ambassador Director Since 2000. Chairman, Diligence LLC, 68 Richard R. Burt, 56 formerly IEP Advisors, Inc. (information collection, analysis, consulting and intelligence) (since 1998). Chairman of the Board, Weirton Steel Corp. (since 1996). Partner, McKinsey & Company (1991-1994). U.S. Ambassador to the Federal Republic of Germany (1985-1989). Chairman, IEP Advisor, LLP (international consulting). Fred H. Langhammer, 59(8) Director Since 2003. Chief Executive Officer, 2 The Estee Lauder Companies Inc. (manufacturer and marketer of cosmetics) (since 2000), President (since 1995), Chief Operating Officer (1985- 1999), Managing Director, operations in Germany (1982-1985), President, operations in Japan (1975- 1982). Eggert Voscherau, 60(5) Director Since 2003. Vice Chairman, BASF 2 Aktiengesellschaft (chemicals) (since 2002). Deputy Chairman, Ressort II (Europe Region) (Industrials) (1998-2002). Chairman and Chief Executive Officer and Executive Director, BASF Corporation (chemicals) (United States) (1997-1998). Executive Director, BASF Aktiengesellschaft (1996- 1997), Executive Vice President, BASF Corporation (United States) and President, North American Consumer Products division (1991-1994). President, BASF Aktiengesellschaft (Germany) (1986-1991). OTHER DIRECTORSHIPS HELD BY NAME, ADDRESS(1) & AGE DIRECTOR

---------- ---------- NON-INTERESTED DIRECTORS Ambassador Director, The Germany Fund, Richard R. Burt, 56 Inc., as well as other funds in the Fund Complex as indicated.(4) Board Member, IGT, Inc. (gaming technology) (since 1995). Board Member, Hollinger International (printing and publishing) (since 1995). Board Member, HCL Technologies, Inc. (information technology and product engineering) (since 1999). Member, Textron Corporation International Advisory Council (aviation, automotive, industrial operations and finance) (since 1996). Director, UBS-Paine Webber family of Mutual Funds. Fred H. Langhammer, 59(8) Director, The Germany Fund, Inc. (since 2003).(4) Director, Gillette Company. Director, Inditex, S.A (fashion manufacturer and retailer). Director, Cosmetics, Toiletries and Fragrance Association. Director, German-American Chamber of Commerce, Inc. Co-Chairman, American Institute for Contemporary German Studies at Johns Hopkins University. Senior Fellow, Foreign Policy Association. Director, Japan Society. Eggert Voscherau, 60(5) Director The Germany Fund Inc. (since 2003).(4) Member, Supervisory Boards of: Dresdner Bank Lateinamerika AG, Haftpflichtverband der Deutschen Industrie V.a.G., Basell N.V., BASF Espanola S.A., BASF Schwarzheide GmbH. President, Cefic (European Chemical Industry Council). President, International Council of Chemical Associations. Board Member, BASF Aktiengesellschaft.

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---------- NUMBER OF PORTFOLIOS IN FUND TERM OF OFFICE AND COMPLEX(2) POSITION(S) LENGTH OF TIME PRINCIPAL OCCUPATION(S) OVERSEEN NAME, ADDRESS(1) & AGE WITH FUND SERVED DURING PAST FIVE YEARS BY DIRECTOR

---------- Robert H. Wadsworth, 64 Director Since 1990. President, Robert H. 69 Wadsworth Associates, Inc. (consulting firm) (May 1983-present). President and Trustee, Trust for Investment Managers (registered investment companies) (April 1999-June 2002). President, Investment Company Administration, L.L.C. (January 1992-July 2001). President, Treasurer and Director, First Fund Distributors, Inc. (mutual fund distribution) (June 1990-January 2002). Vice President, Professionally Managed Portfolios (May 1991-January 2002) and Advisors Series Trust (registered investment companies) (October 1996-January 2003). Werner Walbrol, 66 Director Since 1990. President and Chief 2 Executive Officer, The European American Chamber of Commerce, Inc. Formerly, President and Chief Executive Officer, The German American Chamber of Commerce, Inc. OTHER DIRECTORSHIPS HELD BY NAME, ADDRESS(1) & AGE DIRECTOR ---------- ---------- Robert H. Wadsworth, 64 Director, The Germany Fund, Inc. (since 1986) and The New Germany Fund, Inc. (since 1992) as well as other funds in the Fund Complex as indicated.(4) Werner Walbrol, 66 Director, The Germany Fund, Inc. (since 1986).(4) Director, TUV Rheinland of North America, Inc. (independent testing and assessment services). President and Director, German-American Partnership Program (student exchange programs). Director, AXA Nordstern Art Insurance Corporation (fine art and collectible insurer). Member, Advisory Board, Abels & Grey.

---------- B- 10 MANAGEMENT

---------- TERM OF OFFICE AND NAME, ADDRESS(1) & AGE POSITION(S) WITH FUND(6) LENGTH OF TIME SERVED ---------- ---------- ---------- OFFICERS Richard T. Hale, 58 President and Chief Executive Officer Year to year since 2001. Vincent J. Esposito, Vice President Year to year since 2004. Hanspeter Ackermann, 46(7) Chief Investment Officer Year to year since 1996. Bruce A Rosenblum, 43 Secretary Year to year since 2003. Charles A. Rizzo, 46 Treasurer and Chief Financial Officer Year to year since 2003. Kathleen Sullivan D'Eramo, 46 Assistant Treasurer Year to year since 2003. PRINCIPAL OCCUPATION(S) NAME, ADDRESS(1) & AGE DURING PAST FIVE YEARS ----------

---------- OFFICERS Richard T. Hale, 58 Managing Director, Deutsche Investment Management Americas Inc. (2003-present); Managing Director, Deutsche Bank Securities Inc. (formerly Deutsche Banc Alex. Brown Inc.) and Deutsche Asset Management (1999 to present); Director and President, Investment Company Capital Corp. (registered investment advisor) (1996 to present); Director Deutsche Global Funds, Ltd. (2000 to present). CABEI Fund (2000 to present), North American Income Fund (2000 to present) (registered investment companies); Director Scudder Global Opportunities Fund (since 2003); Director/ Officer, Deutsche/Scudder Mutual Funds (various dates); President, Montgomery Street Income Securities, Inc. (2002 to present) (registered investment companies); Vice President, Deutsche Asset Management, Inc. (2000 to present); Formerly, Director, ISI Family of Funds (registered investment companies; 4 funds overseen) (1992-1999). Vincent J. Esposito, Managing Director, Deutsche Asset Management (2003 to present) Formerly, Managing Director and Head of Relationship Management, Putnam Investments (March 1999 - 2003) and Managing Director and National Sales Manager, Putnam Investments (March 1997 - March 1999) Hanspeter Ackermann, 46(7) President of Deutsche Bank Investment Management Inc. Managing Director, Deutsche Bank Securities Inc. Managing Director and Senior International Equity Portfolio Manager, Bankers Trust Co. President and Managing Partner, Eiger Asset Management (1993-1996), Managing Director and CIO, SBC Brinson, formerly SBC Portfolio Management International Inc. (institutional investment management) (1983--1993). Bruce A Rosenblum, 43 Director of Deutsche Asset Management (2000 to present); prior thereto, Vice President of Deutsche Asset Management (2000-2002); and partner with the law firm of Freedman, Levy, Kroll & Simonds (1997-2000). Charles A. Rizzo, 46 Director, Deutsche Asset Management (April 2000 to present). Formerly, Vice President and Department Head, BT Alex, Brown Incorporated (now Deutsche Bank Securities Inc.) (1998-1999); Senior Manager, Coopers and Lybrand L.L.P. (now PricewaterhouseCoopers LLP) (1993-1998). Kathleen Sullivan D'Eramo, 46 Director, Deutsche Asset Management (2003 to present). ---------- (1) Unless otherwise indicated, the address of all directors and officers is c/o Deutsche Asset Management., 345 Park Avenue, New York, New York 10154. (2) Includes The Germany Fund, Inc. and the New Germany Fund, Inc., which are the other closed-end registered investment companies for which Deutsche Bank Securities Inc. acts as manager. It also includes 204 other open-and closed-end funds advised by wholly-owned entities of the Deutsche Bank Group in the United States. (3) Indicates "Interested Person", as defined in the Investment Company Act. Mr. Bierbaum is an "interested" Director because of his affiliation with Sal. Oppenheim Jr. & Cie KGaA, which is the parent company of a registered broker-dealer; and Mr. Bult is an "interested" Director because of his affiliation with UBS Securities LLC, a registered broker-dealer, and the dealer manager in this rights offering; and Mr. Strenger is an "interested" Director because of his affiliation with DWS- ---------- B- 11 MANAGEMENT

---------- Deutsche Gesellschaft fur Wertpapiersparen mbH ("DWS"), a majority-owned subsidiary of Deutsche Bank and because of his ownership of Deutsche Bank shares. (4) The Germany Fund, Inc. and the New Germany Fund, Inc. are the other closed-end registered investment companies for which Deutsche Bank Securities, Inc. acts as manager. Messrs.

Burt and Wadsworth also serve as Directors/Trustees of the following open-end investment companies: Scudder Advisor Funds, Scudder Advisor Funds II, Scudder Advisor Funds III, Scudder Institutional Funds, Scudder Investment Portfolios, Scudder Cash Management Portfolio, Scudder Treasury Money Portfolio, Scudder International Equity Portfolio, Scudder Equity 500 Index Portfolio, Scudder Asset Management Portfolio, Scudder Investments VIT Funds, Scudder MG Investments Trust, Scudder Investors Portfolios Trust, Scudder Investors Funds, Inc., Scudder Flag Investors Value Builder Fund, Inc., Scudder Flag Investors Equity Partners Fund, Inc., Scudder Flag Investors Communications Fund, Inc., Cash Reserves Fund, Inc. and Scudder RREEF Securities Trust. They also serve as Directors of Scudder RREEF Real Estate Fund, Inc. and Scudder RREEF Real Estate Fund II, Inc., closed-end investment companies. These Funds are advised by either Deutsche Asset Management, Inc., Deutsche Asset Management Investment Services Limited, or Investment Company Capital Corp, each an indirect, wholly-owned subsidiary of Deutsche Bank AG. (5) Dr. Tessen von Heydebreck, a managing director of Deutsche Bank, is a member of the supervisory board of BASF AG, Mr. Voscherau's employer. (6) Each also serving as an officer of The Germany Fund, Inc. and The New Germany Fund, Inc. Our officers are elected annually by our board of directors at their meeting following the Annual Meeting of Stockholders. (7) Indicates ownership of securities of Deutsche Bank AG either directly or through Deutsche Bank's deferred compensation plan. (8) In December 2001, Mr. Langhammer's two adult children borrowed $1 million from a Deutsche Bank Group company. The loan, which is secured by collateral furnished by Mr. Langhammer, bears interest at 3-month LIBOR and is of indefinite duration. As of May 9, 2003, the full principal remained outstanding. The following table contains additional information with respect to the beneficial ownership of equity securities by each of our directors and, on an aggregated basis, in any registered investment companies overseen by the director within our same Family of Investment Companies: DOLLAR RANGE OF AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES IN EQUITY SECURITIES IN THE ALL FUNDS OVERSEEN BY DIRECTOR IN FAMILY OF NAME OF DIRECTOR FUND(1) INVESTMENT COMPANIES(1)(2) ---------- Detlef Bierbaum..... None None John Bult..... $10,001-$50,000 $50,001-$100,000 Ambassador Richard R Burt..... $10,001-$50,000 $10,001-$50,000 Fred H. Langhammer..... None None Christian H. Strenger..... $10,001-$50,000 $10,001-$50,000 Eggert Voscherau..... None None Robert H. Wadsworth..... $50,001-$100,000 Over $100,000 Werner Walbrol..... $10,001-$50,000 $50,001-$100,000 ---------- (1) Valuation date is February 3, 2004. (2) The Family of Investment Companies consists of us, The Germany Fund, Inc. and The New Germany Fund, Inc., which are closed-end funds and share the same investment adviser and manager and hold themselves out as related companies. Our board of directors presently has an audit committee (composed of Messrs. Burt, Wadsworth and Walbrol). The audit committee makes recommendations to the full board with respect to the engagement of independent accountants and reviews with the independent accountants the plan and results of the audit engagement and matters having a material effect upon our financial operations. The audit committee met three times during the fiscal year ended October 31, 2003. In addition, our board of directors has an advisory committee composed of Messrs. Burt, Wadsworth and Walbrol. The advisory committee makes recommendations to the full board with respect to our management agreement with Deutsche Bank Securities Inc. ("DBSI") and our investment advisory agreement with Deutsche Asset Management International GmbH ("DeAMI"). The advisory committee met once during the past fiscal year. The board of directors also has an executive committee and a nominating committee. During the past fiscal year, the nominating committee met twice and the executive committee did not meet. The members of the executive committee are Messrs. Burt, Strenger, Wadsworth and Walbrol. The executive committee has the authority to act for the board on all matters between meetings of the board, subject to any limitations under applicable state law. The members of

---------- the nominating committee are Messrs. Burt, Wadsworth and Walbrol. The nominating committee makes recommendations to the full board with respect to the selection of candidates to fill vacancies on the board of directors intended to be filled by persons not affiliated with DBSI or DeAMI, and the nominating committee evaluates the qualifications of all nominees for directorship pursuant to the director qualification provisions in our bylaws. The nominating committee will consider suggestions from stockholders submitted in writing to our secretary that comply with the requirements for such proposals contained in our bylaws. All members on each of the four committees of the board are non-interested persons (except that Mr. Strenger, an interested person, is a member of the executive committee). During the past fiscal year, our board of directors had four regular meetings, and each director (except Messrs. Voscherau and Langhammer) attended at least 75% of the aggregate number of meetings of the board and meetings of board committees on which that director served. We pay each of our directors who are not interested persons of us, our investment adviser or our investment manager an annual fee of $7,500 plus $750 for each meeting attended. Each director who is also a director of The Germany Fund, Inc. or The New Germany Fund, Inc. also receives the same annual and per-meeting fees for services as a director of each fund. Effective as of April 24, 2002, no director of all three funds is paid for attending more than two funds' board and committee meetings when meetings of the three funds are held concurrently, and, effective as of January 1, 2002, no director receives more than the annual fee of two funds. We reimburse directors (except for those employed by the Deutsche Bank group) for travel expenses in connection with board meetings. The following table sets forth (a) the aggregate compensation from us for the fiscal year ended October 31, 2003, and (b) the total compensation from the fund complex that includes us for our fiscal year ended October 31, 2003, and such other funds in the fund complex for the fiscal year ended December 31, 2003, for each director, and for all directors as a group: AGGREGATE COMPENSATION TOTAL COMPENSATION NAME OF DIRECTOR FROM FUND FROM FUND COMPLEX(1) ---------- Detlef Bierbaum(2)..... N/A N/A John Bult(2)..... N/A N/A Richard R. Burt..... $16,500 $168,640 Fred H. Langhammer..... $6,500 $13,000 Edward C. Schmults(3)..... $15,750 $30,750 Christian Strenger(2)..... N/A N/A Eggert Voscherau..... $5,000 $10,000 Robert H. Wadsworth..... $12,000 $170,000 Werner Walbrol..... $18,000 $34,500 --------- ---------- Total $73,750 $426,890 --------- ---------- --------- ---------- ---------- (1) Includes us, The Germany Fund, Inc. and the New Germany Fund, Inc., which are the other closed-end registered investment companies for which Deutsche Bank Securities Inc. acts as manager. It also includes 204 other open- and closed-end funds advised by wholly-owned entities of the Deutsche Bank AG in the United States. (2) Indicates "Interested Person", as defined in the Investment Company Act. Mr. Bierbaum is an "interested" Director because of his affiliation with Sal. Oppenheim Jr. & Cie KGaA, which is the parent company of a registered broker-dealer; and Mr. Bult is an "interested" Director because of his affiliation with UBS Securities LLC, a registered

broker-dealer, and the dealer manager in this rights offering; and Mr. Strenger is an "interested" Director because of his affiliation with DWS-Deutsche Gesellschaft fur Wertpapiersparen mbH ("DWS"), a majority-owned subsidiary of Deutsche Bank and because of his ownership of Deutsche Bank shares. (3) Mr. Schmults resigned as director on January 16, 2004. No compensation is paid us to directors or officers who are interested persons of us or of any entity affiliated with Deutsche Bank AG. ---------- B- 13 MANAGEMENT ---------- CODE OF ETHICS Our board of directors has adopted a code of ethics pursuant to Rule 17j-1 under the Investment Company Act. This code of ethics permits access persons to trade in securities that may be purchased or held by us for their own accounts, subject to compliance with the code of ethic's preclearance requirements. In addition, the code of ethics provides for trading "blackout periods" that prohibit trading by personnel within periods of trading by us in the same security. The code of ethics prohibits short-term trading profits and personal investment in initial public offerings and requires prior approval with respect to purchases of securities in private placements. Our investment manager (in its capacity as our investment manager) has adopted a code of ethics pursuant to Rule 17j-1 under Investment Company Act. This code of ethics permits access persons to trade in securities that may be purchased or held by us for their own accounts, subject to compliance with the code of ethics preclearance requirements. In addition, the code of ethics provides for trading "blackout periods" that prohibit trading by personnel within periods of trading by us in the same security. The code of ethics prohibits short-term trading profits and personal investment in initial public offerings and requires prior approval with respect to purchases of securities in private placements. Our investment adviser has adopted a code of ethics pursuant to Rule 17j-1 under the Investment Company Act. This code of ethics permits access persons to trade in securities that may be purchased or held by us for their own accounts, subject to compliance with the code of ethic's requirements. The code of ethics requires prior approval for personal investment in initial public offerings and prohibits short-term trading profits, "front running" trades placed by us, naked short sales, and personal investment in private placements. These code of ethics are on file with and available from the SEC at http://www.sec.gov or by calling 1-202-942-8090. Copies may also be obtained, after paying a duplication fee, by electronic request at the following email address: publicinfo@sec.gov, or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102. PROXY VOTING POLICIES AND PROCEDURES We have delegated proxy voting responsibilities to our investment manager, subject to our board of directors' general oversight. We have delegated proxy voting to our investment manager with the direction that proxies should be voted consistent with our best economic interests. Our investment manager has adopted its own Proxy Voting Policies and Procedures ("Policies"), a Proxy Voting Desktop Manual ("Manual") and Proxy Voting Guidelines ("Guidelines") for this purpose. The Policies address, among other things, conflicts of interest that may arise between our interests, and the interests of our investment manager and its affiliates. The Manual sets forth the procedures that the investment manager has implemented to vote proxies, including monitoring for corporate events, communicating with our custodian regarding proxies, considering the merits of each proposal, and executing and recording the proxy vote. The Guidelines set forth our investment manager's general position on various proposals, such as: + Stockholder Rights--Our investment manager generally votes against proposals that restrict stockholder rights. + Corporate Governance--Our investment manager generally votes for confidential and cumulative voting and against supermajority voting requirements for charter and bylaw amendments. + Anti-Takeover Matters--Our investment manager generally votes for proposals that require stockholder ratification of poison pills or that request boards to redeem poison pills, and votes

---------- B- 14 MANAGEMENT ---------- "against" the adoption of poison pills if they are submitted for stockholder ratification. Our investment manager generally votes for fair price proposals. + Routine Matters--Our investment manager generally votes for the ratification of auditors, procedural matters related to the annual meeting, and changes in company name, and against bundled proposals and adjournment. The general provisions described above do not apply to investment companies. Our investment manager generally votes proxies solicited by investment companies in accordance with the recommendations of an independent third-party, except for proxies solicited by or with respect to investment companies for which our investment manager or any of its affiliates serve as investment adviser or principal underwriter ("affiliated investment companies"). Our investment manager votes affiliated investment company proxies in the same proportion as the vote of the investment company's other stockholder (sometimes called "mirror" or "echo" voting). Master fund proxies solicited from feeder funds are voted in accordance with applicable requirements of the Investment Company Act. Although the Guidelines set forth our investment manager's general voting positions on various proposals, our investment manager may, consistent with our best interest, determine under some circumstances to vote contrary to those positions. The Guidelines on a particular issue may or may not reflect the view of individual members of our board of directors, or of a majority of our board of directors. In addition, the Guidelines may reflect a voting position that differs from the actual practices of the public companies within the Deutsche Bank organization or of the investment companies for which our investment manager or any of its affiliates serve as investment adviser or sponsor. Our investment manager may consider the views of a portfolio company's management in deciding how to vote a proxy or in establishing general voting positions for the Guidelines, but management's views are not determinative. As mentioned above, the Policies describe the way in which our investment manager resolves conflicts of interest. To resolve conflicts, our investment manager, under normal circumstances, votes proxies in accordance with its Guidelines. If our investment manager departs from the Guidelines with respect to a particular proxy or if the Guidelines do not specifically address a certain proxy proposal, a proxy voting committee established by our investment manager will vote the proxy. Before voting any such proxy, however, the committee will exclude from the voting discussions and determinations any member who is involved in or aware of a material conflict of interest. If, after excluding any and all such members, there are fewer than three voting members remaining, the investment manager will engage an independent third party to vote the proxy or follow the proxy voting recommendations of an independent third party. Under certain circumstances, our investment manager may not be able to vote proxies, or may find that the expected costs associated with voting outweigh the economic benefits. For example, our investment manager may not vote proxies on certain foreign securities due to local restrictions or customs. Our investment manager generally does not vote proxies on securities subject to share blocking restrictions.

---------- B- 15 CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES ---------- Control persons and principal holders of securities As of February 11, 2004 no person, to the knowledge of management, owned of record or beneficially more than 5% of our outstanding common stock, other than as set forth below: AMOUNT AND NATURE PERCENT OF NAME AND ADDRESS OF BENEFICIAL OWNER OF

BENEFICIAL OWNERSHIP OUTSTANDING COMMON STOCK

MeAG Munich Ergo Kapitalanlage- gesellschaft mbH(1) (Munich, Germany)..... 507,076 6.42%

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(1) This information is based exclusively on information provided by such person on Schedules 13G filed with respect to us on February 14, 2003. To the knowledge of management, no other Schedules 13D or 13G had been filed with respect to us as of December 10, 2003. As of February 3, 2004, all directors and executive officers as a group (14 persons) owned approximately 12,470 shares of our common stock, which constitutes less than 1% of our outstanding common stock.

Investment advisory and other services INVESTMENT ADVISER AND INVESTMENT MANAGER We entered into a management agreement with DBSI (at the time of execution of the agreement, Deutsche Bank Capital Corporation) and an investment advisory agreement with DeAMI (at the time of execution of the agreement, DB Capital Management International GmbH) on March 6, 1990. Both agreements continue in effect for successive twelve-month periods from their initial term, but only if the agreements are approved for continuance annually by our board of directors in accordance with the requirements of the Investment Company Act. Our board of directors last voted to continue both the management agreement and the investment advisory agreement on May 9, 2003. Both agreements are terminable without penalty by vote of a majority of our board of directors or by a vote of the holders of a majority of our outstanding common stock, or by DBSI or DeAMI, as the case may be, at any time upon not less than sixty days' written notice to the other party. Since neither DBSI nor DeAMI is willing to provide services separately, each agreement provides that it shall automatically terminate upon assignment or upon termination of the other agreement. Both DBSI and DeAMI are wholly owned direct or indirect subsidiaries of Deutsche Bank AG, a major German banking institution. Pursuant to the management agreement, DBSI is our corporate manager and administrator and, subject to the supervision of our board of directors and pursuant to recommendations made by the investment adviser, determines which securities are suitable securities for our investment. DBSI (i) handles our relationships with our stockholders, including stockholder inquiries, (ii) is responsible for, arranges and monitors compliance with regulatory requirements and New York Stock Exchange listing requirements and (iii) negotiates contractual arrangements with third-party service providers, including, but not limited to, custodians, transfer agents, auditors and printers. DBSI also provides office facilities and personnel to carry out these services, together with clerical and bookkeeping services which are not being furnished by our custodian or transfer and dividend-paying agent. In addition, DBSI (i) determines and publishes our net asset value in accordance with our policy as adopted from time to time by our board of directors, (ii) establishes our operating expense budgets and authorizes the payment of actual operating expenses incurred, (iii) calculates the amounts of dividends and distributions to be declared and paid by us to our stockholders, (iv) provides our board of directors with financial analyses and reports necessary for our board to fulfill its fiduciary responsibilities, (v) maintains our books and records required under the Investment Company Act (other than those being maintained by our custodian and transfer and dividend-paying agent and registrar, as to which DBSI oversees such maintenance), (vi) prepares our United States federal, state and local income tax returns, (vii) prepares financial information for our proxy statements and quarterly and annual reports to stockholders and (viii) prepares the our reports to the SEC. We pay DBSI a management fee, computed weekly and payable monthly, at an annual rate of 0.65% of our average weekly net assets up to $100,000,000 and 0.55% of such assets in excess of $100,000,000. During the fiscal years ended October 31, 2003, October 31, 2002 and October 31, 2001, we paid DBSI a management fee of $911,794, $786,424 and $775,596, respectively. Besides its role as our investment manager, DBSI also acts as the investment manager for The Germany Fund, Inc. and The New Germany Fund, Inc. The Germany Fund, Inc. pays DBSI an annual management fee of 0.65% of its average weekly net assets up to $50,000,000 and 0.55% of such assets over $50,000,000. The New Germany Fund, Inc. pays DBSI an annual management fee of 0.65% of its average weekly net assets up to $100,000,000 and 0.55% of such assets over $100,000,000 and up to $500,000,000 and 0.50% of such amounts in excess of $500,000,000. We, together with The

Germany Fund, Inc. and The New Germany Fund, Inc., represent the entire fund complex managed by DBSI. Pursuant to our investment advisory agreement, DeAMI, in accordance with our investment objective, policies and restrictions, makes recommendations to our investment manager with respect to our investments and, upon instructions given by our investment manager as to which securities are suitable for investment, transmits purchase and sale orders and selects brokers and dealers to execute portfolio transactions on our behalf. We pay DeAMI an investment advisory fee, computed weekly and payable monthly, at an annual rate of 0.35% of our average weekly net assets up to $100 million and 0.25% of such assets in excess of $100 million. During the fiscal years ended October 31, 2003, October 31, 2002 and October 31, 2001, we paid DeAMI an investment advisory fee of $469,148, $412,158 and $407,237, respectively. Besides its role as our investment manager, DBSI also acts as the investment manager of The Germany Fund, Inc. and The New Germany Fund, Inc. The Germany Fund, Inc. and The New Germany Fund, Inc. each pay DeAMI an investment advisory fee, computed weekly and payable monthly, at an annual rate of 0.35% of their average weekly net assets up to $100 million and 0.25% of such assets in excess of $100 million. We, together with The Germany Fund, Inc. and The New Germany Fund, Inc., represent the entire fund complex advised by DeAMI. Both the management agreement and the investment advisory agreement provide that DBSI and DeAMI, respectively, are responsible for all expenses of all employees and overhead incurred by them in connection with their duties under their respective agreements. DBSI pays all salaries and fees of our directors and officers who are "interested persons" under the Investment Company Act. An "interested person" is a director who is not independent under the specific requirements of the Investment Company Act. We bear all of our own expenses, including those expenses described in "Our Management" on page 37 of the prospectus. In reaching their decision on May 9, 2003 to continue the management agreement and the investment advisory agreement for another twelve-month period, our board of directors reviewed information derived from a number of sources covering a range of issues. Our board of directors considered, among other things, the experience, expertise and availability of the executive and professional personnel of DBSI and DeAMI, as well as the management and investment advisory services that DBSI and DeAMI, respectively, provided to us. With respect to DBSI, this entailed a review of the portfolio services performed by DBSI, a review of the general nature of the corporate services performed by DBSI in addition to those provided by others (such as the registrar and transfer agent), and a review of any current changes to DBSI's asset management operations that could be relevant to the services DBSI provides to us. With respect to DeAMI, this entailed a review of the investment advisory services performed by DeAMI. Our board of directors also reviewed the performance of DBSI's and DeAMI's other advisory clients as well as comparative information with respect

to the performance of certain securities indices for the equity markets relevant to us. In addition, our board of directors also compared the management and investment advisory fees charged by DBSI and DeAMI, respectively, with information on fees charged by other investment managers and investment advisers for comparative services. Taking into account this review, our board of directors determined that it was satisfied with the nature and quality of services provided by DBSI and DeAMI, and that fees charged for these services were reasonable. Brokerage allocation and other practices The primary objective in placing orders for the purchase and sale of securities for the our portfolio is to obtain best price together with efficient execution, taking into account such factors as commission,

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size of order, difficulty of execution and skill required of the broker. Brokerage commission rates in Central Europe and Russia for transactions executed on the exchanges may be discounted for certain large domestic and foreign investors such as us. Off-board transactions outside of the exchanges' regular business hours are executed on a "net" basis with dealers acting as principal for their own accounts without a stated commission, although the price of the security usually includes a profit to the dealer. Subject to best price together with efficient execution, orders for brokerage transactions may be placed with Deutsche Bank AG or any of its affiliates. Our policy requires that commissions paid to Deutsche Bank AG or any of its affiliates be reasonable and fair compared with commissions received by other brokers in connection with comparable transactions involving similar securities being purchased or sold on a securities exchange during a comparable period of time. During our fiscal years ended October 31, 2003, October 31, 2002, and October 31, 2001, we incurred brokerage commissions amounting in the aggregate to $162,271, $288,097 and $282,266, respectively. During such periods, we paid brokerage commissions to Deutsche Bank AG or its affiliates amounting to $5,665, which constituted 3.49% of our aggregate brokerage commissions, $20,790, which constituted 7.22% of our aggregate brokerage commissions, and $25,202, which constituted 8.93% of our aggregate brokerage commissions, respectively. At each board meeting, our board of directors reviews the commissions paid by us to determine if the commissions paid over representative periods of time were reasonable in relation to the benefits we receive. They have determined that the aforementioned commissions were at the best rate available for institutions such as ours. Subject to best price together with efficient execution, orders are placed with brokers and dealers who supply research, market and statistical information ("research" as defined in Section 28(e) of the Exchange Act) to us, our investment manager and investment adviser. Our commissions to such brokers may not represent the lowest obtainable commission rates, although they must be reasonable in relation to the benefits received. The research may be used by our investment manager and investment adviser in advising other clients. Conversely, the information provided to our investment manager and investment adviser by brokers and dealers through whom their other clients effect securities transactions may be useful to them in providing services to us. Although research from brokers and dealers may be useful to our investment manager and investment adviser, it is only supplementary to their own efforts. For our fiscal years ended October 31, 2003, October 31, 2002, and October 31, 2001, transactions in our portfolio securities with associated brokerage commissions of approximately $162,271, $288,097 and $282,266, respectively, were allocated to persons or firms supplying research to us, our investment manager or our investment adviser. ---

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Financial statements The required financials statements are included in our 2003 Annual Report, and are incorporated by reference into this SAI. These statements include: Schedule of Investments as of October 31, 2003; the Statement of Assets and Liabilities as of October 31, 2003; Statement of Operations for the fiscal year ended October 31, 2003; Statements of Changes in Net Assets for the fiscal years ended October 31, 2003 and October 31, 2002; Notes to Financial Statements; and Financial Highlights for a share of common stock outstanding during each of the fiscal years ended October 31, 2003, 2002, 2001, 2000 and 1999. A copy of our 2003 Annual Report is available on the SEC's website at http://www.sec.gov. A copy may also be obtained without charge upon written or oral request from our information agent at 17 State Street, New York, New York 10004 or 1-800-221-4215.

Part C OTHER INFORMATION ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS. (1) Financial Statements Part B--The Central Europe and Russia Fund, Inc. Financial Statements are included in the Fund's 2003 Annual Report and are incorporated by reference into the Statement of Incorporation. These statements include: Schedule of Investments as of October 31, 2003; the Statement of Assets and Liabilities as of October 31, 2003; Statement of Operations for the fiscal year ended October 31, 2003; Statements of Changes in Net Assets for the fiscal years ended October 31, 2003 and October 31, 2002; Notes to Financial Statements; and Financial Highlights for a share of common stock outstanding during each of the fiscal years ended October 31, 2003, 2002, 2001, 2000 and 1999. (2) Exhibits *(a)(1) -- Articles of Incorporation of the Fund, dated February 6, 1990 *(a)(2) -- Articles of Amendment to Articles of Incorporation, dated February 14, 1990 *(a)(3) -- Articles of Amendment of Articles of Incorporation, dated June 29, 1995 *(a)(4) -- Articles Supplementary, dated December 14, 1999 *(a)(5) -- Articles of Amendment of Articles of Incorporation, dated June 24, 2003 *(b) -- By-Laws of the Fund (c) -- Not applicable (d)(1) -- Form of Subscription Certificate (d)(2) -- Form of Notice of Guaranteed Delivery and Form of Beneficial Owner Certification Form (d)(3) -- Form of Subscription Agent Agreement (d)(4) -- Form of Information Agent Agreement *(e) -- Voluntary Cash Purchase Program and Dividend Reinvestment Plan (f) -- Not applicable *(g)(1) -- Management Agreement, dated as of March 6, 1990, between the Fund and Deutsche Bank Securities Inc. (formerly Deutsche Bank Capital Corporation) *(g)(2) -- Investment Advisory Agreement, dated as of March 6, 1990, between the Fund and Deutsche Asset Management International GmbH (formerly DB Capital Management International GmbH) *(h)(1) -- Form of Dealer Manager Agreement (including the exhibits containing the form of Selling Group Agreement and the form of Soliciting Dealer Agreement) *(h)(2) -- Form of Letter Agreement (i) -- Not applicable *(j)(1) -- Amended and Restated Custody Agreement between the Fund and Investors Bank & Trust Company *(j)(2) -- Delegation Agreement between the Fund and Investors Bank & Trust Company *(k) -- Transfer Agency and Service Agreement between the Fund and Investors Bank & Trust Company ---

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(l) -- Opinion and Consent of Sullivan & Cromwell LLP **(m) -- Consent of Deutsche Asset Management International GmbH to service of process in the United States (n) -- Consent of PricewaterhouseCoopers LLP (o) -- Not applicable (p) -- Not applicable (q) -- Not applicable *(r)(1) -- Code of Ethics of the Fund adopted pursuant to Rule 17j-1 of the Investment Company Act *(r)(2) -- Code of Ethics of Deutsche Bank Securities Inc. adopted pursuant to Rule 17j-1 of the Investment Company Act *(r)(3) -- Code of Ethics of Deutsche Asset Management International GmbH adopted pursuant to Rule 17j-1 of the Investment Company Act *Other -- Power of Attorney Exhibits ---

* Previously filed. ** Incorporated by reference to Form ADV filed on January 30, 2004 (Commission

File No. 801-20289) ITEM 25. MARKETING ARRANGEMENTS. (1) See Section 4(a) of the Dealer Manager Agreement, to be filed as Exhibit (2)(h)(1). (2) See Section 4(b) of Exhibit (2)(h)(1). (3) Not Applicable ITEM 26. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION. The following table sets forth the estimated expenses to be incurred in connection with this rights offering described in this Registration Statement: Registration Fee..... $ 7,231 New York Stock Exchange listing fee..... $ 10,000 Frankfurt Stock Exchange expenses..... $ 44,891 Printing (other than stock certificates)..... $ 70,000 Legal fees and expenses..... $150,000 Accounting fees and expenses..... $ 27,000 Dealer Manager expense allowance..... $100,000 Subscription Agent fees and expenses..... $ 35,000 Information Agent fees and expenses..... $ 10,000 NASD filing fee..... $ 6,206 Miscellaneous expenses..... $ 15,000 -------- TOTAL..... $475,328 ======== ---------- C- 2 PART C ---------- ITEM 27. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH THE FUND. None. ITEM 28. NUMBER OF HOLDERS OF SECURITIES. As of February 3, 2004, the Fund had approximately 8,500 holders of record of its common stock, par value $0.001 per shares. ITEM 29. INDEMNIFICATION. Under Article Eleventh of our Amended and Restated Articles of Incorporation and Article XII of our Amended and Restated By-Laws, our directors and officers will be indemnified to the fullest extent allowed and in the manner provided by Maryland law and provisions of the 1940 Act, including advancing of expenses incurred in connection therewith. Indemnification shall not be provided however to any officer or director against any liability to us or our security-holders to which he or she would otherwise be subject by reasons of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office. We maintain insurance on behalf of any person who is or was a director of officer of the Fund, against certain liability asserted against him or her and incurred by him or her or arising out of his or her position. In no event, however, will we pay that portion of the premium, if any, for insurance to indemnify any such person or any act for which we ourselves are not permitted to indemnify. Insofar as indemnification for liabilities under the Securities Act of 1933 may be permitted to the directors and officers, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in such Act and is therefore unenforceable. If a claim for indemnification against such liabilities under the Securities Act of 1933 (other than for expenses incurred in a successful defense) is asserted against us by the directors or officers in connection with this rights offering, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by us is against public policy as expressed in such Act and will be governed by the final adjudication of such issue. Our Management Agreement and Investment Advisory Agreement, filed as exhibits (g)(1) and (g)(2), respectively, limit the liability of our investment advisor and our investment manager. ITEM 30. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER. We are fulfilling the requirement of this Item 30 to provide a list of the officers and directors of our investment adviser and investment manager, together with information as to any other business, profession, vocation or employment of a substantial nature engaged in by those entities or those of its officers and directors during the past two years, by incorporating herein by reference the information contained in the current Form ADV filed on January 30, 2004 and July 24, 2003, respectively, with the Securities and Exchange Commission by each of Deutsche Asset management International GmbH (Commission File No. 801-20289) and Deutsche Bank Securities Inc. (Commission File No. 801-9638) pursuant to the Investment Advisers Act of 1940, as amended. ITEM 31. LOCATION OF ACCOUNTS AND RECORDS. All accounts, books and other documents required to be maintained by Section 31(a) of the Investment Company Act and the rules thereunder will be maintained at the offices of Investors Bank & Trust Company, 200 Clarendon Street, Boston Massachusetts 02116, and at our offices, 345 Park Avenue, New York, New York 10154. ---------- C- 3 PART C ---------- ITEM 32. MANAGEMENT SERVICES. Not Applicable. ITEM 33. UNDERTAKINGS. (a) Registrant undertakes to suspend offering of the shares covered under this registration statement until it amends its prospectus contained herein if (1) subsequent to the effective date of this Registration Statement, its net asset value per share declines more than ten percent from its net asset value as of the effective date of this Registration Statement, or (2) its net asset value increases to an amount greater than its net proceeds as stated in the prospectus contained herein. (b) Registrant undertakes: (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) in the registration statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement. (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering. (4) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective. (c) Registrant undertakes to send by first class mail or other means designed to ensure equally prompt delivery, within two business days of receipt of a written or oral request, the Statement of Additional Information.

---------- C- 4 PART C ---------- Signatures Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, and the state of New York, on the 13th day of February, 2004. THE CENTRAL EUROPE AND RUSSIA FUND, INC. ---------- (Registrant) By: /s/ RICHARD T. HALE ---------- Richard T. Hale President and Chief Executive Officer Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons and on the date indicated. NAME TITLE ---------- * Chairman of the Board and Director ---------- Christian H. Strenger Director ---------- Detlef Bierbaum * Director

---------- John Bult Director ---------- Richard R. Burt * Director ---------- Fred H. Langhammer * Director ---------- Robert H. Wadsworth * Director ---------- Werner Walbrol Director ---------- Eggert Voscherau /s/ RICHARD T. HALE President and Chief Executive ---------- Officer Richard T. Hale ---------- C- 5 PART C ---------- NAME TITLE ---------- * Treasurer and Chief Financial ---------- Officer (Principal Financial Charles A. Rizzo Accounting Officer) ---------- * Richard T. Hale, by signing his name hereto, does sign this document in behalf of the persons indicated above pursuant to a power of attorney duly executed by such person and filed as an exhibit to this Registration Statement. /s/ RICHARD T. HALE February 13, 2004 ---------- ---------- Richard T. Hale Date Attorney-in Fact ---------- C- 6 PART C ---------- INDEX TO EXHIBITS EXHIBIT NUMBER EXHIBIT ---------- *(a)(1) -- Articles of Incorporation of the Fund, dated February 6, 1990 *(a)(2) -- Articles of Amendment to Articles of Incorporation, dated February 14, 1990 *(a)(3) -- Articles of Amendment of Articles of Incorporation, dated June 29, 1995 *(a)(4) -- Articles Supplementary, dated December 14, 1999 *(a)(5) -- Articles of Amendment of Articles of Incorporation, dated June 24, 2003 *(b) -- By-Laws of the Fund (c) -- Not applicable (d)(1) -- Form of Subscription Certificate (d)(2) -- Form of Notice of Guaranteed Delivery and Form of Beneficial Owner Certification Form (d)(3) -- Form of Subscription Agent Agreement (d)(4) -- Form of Information Agent Agreement *(e) -- Voluntary Cash Purchase Program and Dividend Reinvestment Plan (f) -- Not applicable *(g)(1) -- Management Agreement, dated as of March 6, 1990, between the Fund and Deutsche Bank Securities Inc. (formerly Deutsche Bank Capital Corporation) *(g)(2) -- Investment Advisory Agreement, dated as of March 6, 1990, between the Fund and Deutsche Asset Management International GmbH (formerly DB Capital Management International GmbH) *(h)(1) -- Form of Dealer Manager Agreement (including the exhibits containing the form of Selling Group Agreement and the form of Soliciting Dealer Agreement) *(h)(2) -- Form of Letter Agreement (i) -- Not applicable *(j)(1) -- Amended and Restated Custody Agreement between the Fund and Investors Bank & Trust Company *(j)(2) -- Delegation Agreement between the Fund and Investors Bank & Trust Company *(k) -- Transfer Agency and Service Agreement between the Fund and Investors Bank & Trust Company (l) -- Opinion and Consent of Sullivan & Cromwell LLP **(m) -- Consent of Deutsche Asset Management International GmbH to service of process in the United States (n) -- Consent of PricewaterhouseCoopers LLP (o) -- Not applicable (p) -- Not applicable (q) -- Not applicable *(r)(1) -- Code of Ethics of the Fund adopted pursuant to Rule 17j-1 of the Investment Company Act *(r)(2) -- Code of Ethics of Deutsche Bank Securities Inc. adopted pursuant to Rule 17j-1 of the Investment Company Act *(r)(3) -- Code of Ethics of Deutsche Asset Management International GmbH adopted pursuant to Rule 17j-1 of the Investment Company Act ---------- C- 7 PART C ---------- EXHIBIT NUMBER EXHIBIT ---------- *Other -- Power of Attorney Exhibits ---------- * Previously filed. ** Incorporated by reference to Form ADV filed on January 30, 2004 (Commission File No. 801-20289) ---------- C- 8