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**FOR IMMEDIATE RELEASE**

**Gramercy Capital Corp. Announces Offering of Common Stock  
Gross Proceeds to Company of Approximately \$94,985,000**

NEW YORK, NY – December 3, 2004 – Gramercy Capital Corp. (NYSE: GKK) announced today that it has entered into agreements to sell 4,225,000 shares of common stock directly to various institutional investors and 1,275,000 shares of common stock to SL Green Realty Corp., pursuant to a private placement at a price of \$17.27 per share for aggregate net proceeds of \$94,985,000. SL Green Realty Corp. purchased shares sufficient to maintain after the private placement substantially the same ownership percentage interest in Gramercy Capital Corp.. The Company expects to use the net proceeds to fund further investment activity and for general corporate purposes. The transaction is expected to settle on or before January 3, 2005.

The shares will not be registered under the Securities Act of 1933 or any state securities laws, and will be sold in a private transaction under Regulation D of the Securities Act. Unless the shares are registered, they may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state laws. This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

## **Company Overview**

Gramercy is a specialty finance company focused on originating and acquiring, for its own account, loans and securities related to commercial and multi-family properties throughout the United States. Gramercy targets the origination of structured first mortgage loans on transitional properties, subordinate mortgage participations and mezzanine loans. Since its initial public offering in July 2004, Gramercy has originated approximately \$299 million of investments.

## **Forward-looking Information**

*This press release contains forward-looking information based upon the Company's current best judgment and expectations. Actual results could vary from those presented herein. The risks and uncertainties associated with forward-looking information in this release include the strength of the commercial real estate property markets, competitive market conditions, unanticipated administrative costs, general and local economic conditions, interest rates, capital market conditions, bankruptcies and defaults of borrowers or tenants in properties securing the Company's investments, and other factors, many of which are beyond the Company's control. We undertake no obligation to publicly update or revise any of the forward-looking information. For further information, please refer to the Company's filings with the Securities and Exchange Commission.*

*To review Gramercy Capital Corp.'s latest news release and other corporate documents, please visit our website at [www.gramercycapitalcorp.com](http://www.gramercycapitalcorp.com) or contact Investor Relations at 212-297-1000.*