

PRESS RELEASE

Contact:

Joseph Macnow
(201) 587-1000



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Vornado entered into an agreement to increase its interest in the Hotel Pennsylvania from 40% to as much as 80%.

SADDLE BROOK, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today announced that it has entered into an agreement to increase its interest in the Hotel Pennsylvania from 40% to as much as 80%. The Hotel Pennsylvania is located in New York City on Seventh Avenue opposite Madison Square Garden. Under the agreement, the Company will purchase the 40% interest of Hotel Properties Limited, a Singapore publicly listed company, for approximately \$22 million and assume \$48 million of existing debt. The increase in the Company's interest is subject to reduction to 67%, should the third joint venture partner exercise its pro-rata option.

The acquisition, which is expected to close in the second quarter of 1998, is subject to customary closing conditions.

Vornado Realty Trust is a fully-integrated equity real estate investment trust.