

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):
October 31, 2016

VORNADO REALTY TRUST

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other
Jurisdiction of
Incorporation)

No. 001-11954
(Commission
File Number)

No. 22-1657560
(IRS Employer
Identification No.)

VORNADO REALTY L.P.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other
Jurisdiction of
Incorporation)

No. 001-34482
(Commission
File Number)

No. 13-3925979
(IRS Employer
Identification No.)

888 Seventh Avenue
New York, New York
(Address of Principal Executive offices)

10019
(Zip Code)

Registrant's telephone number, including area code: **(212) 894-7000**

Former name or former address, if changed since last report: **N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On October 31, 2016, Vornado Realty Trust ("Vornado") and Vornado Realty L.P. ("VRLP", and together with Vornado, the "Vornado Parties") entered into a Master Transaction Agreement (the "Master Agreement") with JBG Properties, Inc. ("JBG Properties"), JBG/Operating Partners, L.P. ("JBG Operating Partners", and together with JBG Properties, the "JBG Management Entities"), certain pooled investment funds that are affiliates of the JBG Management Entities (the "JBG Funds", and together with the JBG Management Entities, the "JBG Parties"), JBG SMITH (as defined below) and JBG SMITH OP (as defined below), providing for a series of transactions pursuant to which (i) Vornado will spin off its Washington, D.C. metropolitan area business into Vornado DC Spinco, a Maryland real estate investment trust ("REIT") that will become a new publicly traded REIT ("JBG SMITH") and (ii) JBG SMITH will be combined with the management business and certain Washington, D.C. metropolitan area properties of the JBG Parties. Upon the completion of the transactions, JBG SMITH is expected to have an estimated \$8.4 billion enterprise value and will own 50 office properties totaling approximately 11.8 million square feet, 18 multifamily properties with 4,451 residential units, and 11 other properties totaling approximately 0.7 million square feet.

The full text of the Master Agreement will be filed as an exhibit to Vornado's Annual Report on Form 10-K for the year ended December 31, 2016.

Other than with respect to the Master Agreement or as otherwise described herein, there is no material relationship between the JBG Parties or any of its affiliates or related parties, on the one hand, and the Vornado Parties or any of their affiliates or related parties, on the other hand.

The Master Agreement provides for a series of transactions pursuant to which, among other things:

- a) Certain direct and indirect interests in certain real properties (the “Vornado Included Properties”) set forth in the Master Agreement that are held by the Vornado Parties through their ownership of equity interests in certain entities set forth in the Master Agreement, and other assets related thereto (together with the Vornado Included Properties, the “Vornado Included Assets”), will be contributed by VRLP to Vornado DC Spinco OP LP, a Delaware limited partnership that will be the operating partnership of JBG SMITH (“JBG SMITH OP”), in exchange for common partnership units of JBG SMITH OP (“OP Units”) and the assumption by JBG SMITH OP of certain liabilities to be set forth in the Separation Agreement (as defined below);
- b) VRLP will distribute all of its OP Units to Vornado and the other partners of VRLP on a pro rata basis;
- c) Vornado will contribute all of its OP Units to JBG SMITH; and
- d) Vornado will distribute 100% of the outstanding common shares of JBG SMITH (“JBG SMITH Shares”) to the shareholders of Vornado on a pro rata basis (this step (d), the “External Distribution,” and the transactions described in the foregoing steps (a) through (d), collectively, the “Pre-Combination Transactions”). The Pre-Combination Transactions shall be effectuated as provided in a Separation and Distribution Agreement

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(the “Separation Agreement”) to be entered into by and among Vornado, VRLP, JBG SMITH and JBG SMITH OP.

Combination Transactions

The Master Agreement further provides that, following the Pre-Combination Transactions, the JBG Funds will contribute certain real estate interests (the “JBG Included Properties” and, together with the Vornado Included Properties, the “Included Properties”) in the Washington, D.C. metropolitan area, through a series of transactions, to, and certain affiliates of the JBG Management Entities (the “JBG Managing Member Entities”) will contribute certain managing member interests in certain entities owning the JBG Included Properties (the “JBG Included Entities”) to, and the JBG Management Entities will merge with and into or contribute certain assets to, JBG SMITH, JBG SMITH OP or JBG SMITH OP’s subsidiaries (the “Combination Transactions” and, together with the Pre-Combination Transactions and the Restructuring Transactions (as defined below), the “Transactions”), in exchange for newly issued JBG SMITH Shares and newly issued OP Units, subject to certain restrictions and adjustments, as further described in the section entitled “Consideration” below:

- Prior to the Combination Transactions, each JBG Fund will engage in a restructuring through a series of steps (the “Restructuring Transactions”) pursuant to which, among other things, the JBG Included Assets of certain of such JBG Funds will be transferred to a newly formed entity to be owned directly or indirectly by the members of such JBG Fund;
- At the closing of the Transactions (the “Closing”), certain direct and indirect interests in the JBG Included Properties that are held by the JBG Funds through their ownership of the JBG Included Interests and other assets related thereto (together with the JBG Included Interests, the “JBG Included Assets”, and together with the Vornado Included Assets, the “Included Assets”) will be contributed to JBG SMITH OP or its subsidiaries (the “JBG Asset Contributions”);
- At the Closing, JBG Operating Partners will merge with and into a wholly owned subsidiary of JBG SMITH OP, with the partners of JBG Operating Partners receiving OP Units (the “JBG OP Merger”);
- At the Closing, JBG Properties will transfer all of its assets to JBG SMITH OP, in exchange for OP Units (the “JBG Properties Contribution”); and
- At the Closing, the JBG Management Entities shall cause each JBG Managing Member Entity to transfer and contribute certain managing member interests it has in any JBG Included Entity to a newly formed wholly owned subsidiary of JBG SMITH OP (the “JBG Member Interest Contribution”).

Certain JBG Funds will continue to own assets that will not be contributed to JBG SMITH OP pursuant to the Master Agreement (the “JBG Excluded Assets”) and the principals of the JBG Parties, including the principals who will become executive officers of JBG SMITH at Closing, will retain interests in these JBG Funds, which entitle them to “promotes” with respect to the JBG Excluded Assets. The JBG Excluded Assets can generally be categorized as (i) condominium and townhome assets, (ii) a number of hotels owned by the JBG Funds, (iii) assets likely to be sold in the near term, whether because they are under contract for sale, being marketed for sale or likely to be marketed for sale in the near term, (iv) assets that JBG SMITH OP is not acquiring because they are located in markets that will

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not be core markets for JBG SMITH OP going forward, and (v) single-tenant leased General Services Administration assets that are encumbered with long-term, hyper-amortizing bond financing which is not consistent with the financing strategy of JBG SMITH.

Following the consummation of the Transactions, pursuant to or as contemplated by the Master Transaction Agreement, among other things:

- JBG SMITH will be an independent publicly traded REIT, separate from Vornado, and the economic interests in JBG SMITH are expected to be owned approximately (i) 74% by the common shareholders of Vornado and the limited partners of VRLP as of the record date for the distribution of JBG SMITH Shares to Vornado’s common shareholders and OP Units to VRLP’s limited partners, (ii) 20% by JBG limited partners as of the Closing Date and (iii) 6% by JBG management, which percentages are subject to change due to closing adjustments set forth in the Master Agreement; and

JBG SMITH will change its name from Vornado DC Spinco to JBG SMITH Properties and the headquarters of JBG SMITH will be located in the Washington, D.C. metropolitan area.

Revaluation of the Included Properties

The equity value of each Included Property (each such value, the “Asset Value”) was agreed by the parties when the Master Agreement was executed, but is subject to certain upward or downward adjustments as set forth in the Master Agreement. These adjustments include, among other things, (i) increasing such Asset Value by amounts actually paid prior to the Revaluation Time (as defined below) by Vornado or JBG, as applicable, on account of leasing costs, certain capital expenditures, certain debt amortizations and paydowns, certain acquisition and development costs and any positive net working capital balance with respect to such Included Property and (ii) decreasing such Asset Value by the amount of leasing costs not yet paid with respect to such Included Property as of the Revaluation Time, new indebtedness, certain debt prepayment fees and any negative net working capital balance. The “Revaluation Time” will be 11:59 p.m. Eastern time on the last day of the calendar month in which all of the conditions to consummation of the Transactions have been satisfied or waived (unless such conditions are satisfied or waived in the last 5 days of a calendar month, in which case the Revaluation Time will be 11:59 p.m. Eastern time on the last day of the following calendar month).

Consideration

In consideration of the JBG Parties’ contribution of the JBG Included Assets pursuant to the Combination Transactions, the applicable JBG Party or certain direct and indirect owners of such JBG Party (the “JBG Designees”) will receive from JBG SMITH and JBG SMITH OP, a number of JBG SMITH Shares and/or OP Units (collectively, the “Equity Consideration”) to be determined in accordance with a formula set forth in the Master Agreement.

To the extent that the Vornado Parties reasonably determine with respect to any JBG Party or JBG Designee that the issuance of JBG SMITH Shares or OP Units to such JBG Party or JBG Designee cannot be effected in a private placement satisfying the requirements of Regulation D of the Securities Act of 1933, as amended, or if the JBG Parties do not timely furnish to the Vornado Parties a satisfactory investor questionnaire from any JBG Party or JBG Designee, JBG SMITH and JBG SMITH OP shall pay the consideration owed to such JBG Party or JBG Designee in the form of cash (“Cash Consideration”) rather than Equity Consideration. Any such Cash Consideration shall be equal to the product of (x) the number of JBG SMITH Shares and/or OP Units that would otherwise have been payable to such JBG Party or JBG Designee *multiplied by* (y) the average of the high and the low trading prices of JBG SMITH Shares on the New York Stock Exchange on the date of the Closing (the “Closing Date”).

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With respect to the JBG Asset Contributions, the applicable JBG Party (or its JBG Designees) shall be entitled to receive either JBG SMITH Shares or OP Units. With respect to the JBG OP Merger, and the JBG Properties Contribution, the applicable JBG Party (or its JBG Designees) shall be entitled to receive only OP Units.

The OP Units issued in connection with the JBG OP Merger and the JBG Properties Contribution to individuals employed by the JBG Properties and who will continue as employees of JBG SMITH will be subject to certain vesting and/or transfer restrictions. 50% of such OP Units will be fully vested and not subject to forfeiture at the Closing, with the remaining 50% vesting in equal monthly installments over a 30-month period beginning on the first day of the 31st month after the Closing and ending on the first day of the 60th month after the Closing as long as the individual remains employed by JBG SMITH (subject to accelerated vesting upon certain specified events as described in the applicable Unit Issuance Agreement pursuant to which such OP Units are issued). OP Units that are fully vested at the time of issuance will not be transferable or redeemable, including for shares of JBG SMITH common stock or otherwise, for three years following the Closing, except that up to 10% of an individual’s total OP Units may be sold, pledged or redeemed for shares of JBG SMITH common stock during this period (subject to the transfer and redemption restrictions imposed on OP Units generally by the Limited Partnership Agreement of JBG SMITH OP). OP Units that vest after issuance will be subject to the foregoing restrictions on transfer and redemption for five years following the Closing. OP Units issued to JBG employees who are retiring in connection with, or are expected to retire within a year after, the Closing will not be subject to transfer or redemption restrictions other than those applicable to OP Units generally, but may be subject to vesting and forfeiture.

Initial Equity Grants

Pursuant to the Master Agreement, the JBG SMITH Board (as defined below) expects to adopt an equity incentive plan, effective as of Closing, and pursuant to that plan and the Partnership Agreement, certain employees of JBG SMITH will be eligible to receive initial equity-based awards, which may include awards based on interests in JBG SMITH OP. Additionally, in order to attract and retain talented executives and to link compensation to shareholder returns, JBG SMITH expects to make initial “appreciation-only” equity grants in connection with the Closing to certain JBG Properties employees for a number of awards equal to approximately \$75 million divided by the value of a JBG SMITH Share on the grant date, and to certain Vornado employees for a number of awards equal to approximately \$25 million divided by the value of a JBG SMITH Share on the grant date, who in each case are intended to become trustees, employees or members of the management team of JBG SMITH in connection with the Combination. Such awards, which we refer to as the “Formation Units,” will be special limited partnership interests in JBG SMITH OP, structured in a manner intended to qualify as “profits interests” for federal income tax purposes and the value of which will be tied to the appreciation of a share of JBG common stock commencing from the date of grant. The Formation Units will be issued under the terms of the Partnership Agreement and the JBG SMITH equity incentive plan. The Formation Units will generally vest 25% on each of the 3rd and 4th anniversaries of the date of grant, and 50% on the fifth anniversary of the date of grant, subject to continued employment (with accelerated vesting upon certain specified events as described in the applicable award agreement).

Registration Rights Agreements

Pursuant to the Master Agreement, at Closing, the Company and all JBG Parties or JBG Designees receiving Equity Consideration will enter into Registration Rights Agreements, pursuant to which, subject to certain exceptions, JBG SMITH will agree to: (i) use commercially reasonable efforts to prepare and file, on or before the first business day that is 60 days after the Closing, one or more registration statements registering the resale of the JBG SMITH Shares; and (ii) use commercially reasonable efforts to prepare and file, on or before the first business day that is 13 months after the

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Closing, one or more registration statements registering, at the Company's election, either (a) the issuance of JBG SMITH Shares upon redemption of OP Units, or (b) the resale of such JBG SMITH Shares.

Consents

The contribution of certain Included Assets to JBG SMITH OP in connection with the Pre-Combination Transactions and the Combination Transactions will require the consent of certain third parties, including joint venture partners, lenders and ground lessors of the Vornado Parties and the JBG Parties or their respective subsidiaries. The Master Agreement requires the Vornado Parties and the JBG Parties to seek to obtain such consents, and with respect to any required debt consent, to seek to prepay or refinance the applicable loan if such consent is not received within 120 days following the date of the Master Agreement. If (i) a consent (or, with respect to debt consents, a prepayment or refinancing in a manner that does not restrict the Transactions and meets certain other terms set forth in the Master Agreement) is not obtained with respect to certain specified Included Assets prior to the date that is 20 days before the anticipated Closing, or (ii) certain entities owned by the Vornado Parties and/or by the JBG Parties for which certain specified actions have not been resolved prior to the date that is 20 days before the anticipated Closing, such Included Assets will not be contributed or transferred at the Closing (each such asset or entity that is excluded for the above-referenced reasons or pursuant to another provision of the Master Agreement, a "Kickout Interest"). In addition, at any time on or before the Revaluation Time, the Vornado Parties have the right to elect to designate certain Vornado Included Properties and one JBG Included Property as being excluded from the Included Assets, and such properties will not be transferred at the Closing.

Until the later of 60 days following Closing and the Outside Date (as defined below), with respect to certain Kickout Interests, the Master Agreement obligates the Vornado Parties and the JBG Parties to cooperate in good faith and use commercially reasonable efforts to obtain the necessary consents required to transfer such Kickout Interests. For any such Kickout Interest for which such consent is obtained within such period, such Kickout Interest will be contributed to JBG SMITH OP by the applicable Vornado Party or JBG Party in exchange for OP Units or Issued Newco Shares, as applicable.

JBG SMITH Board of Trustees and Officers

Immediately after the Pre-Combination Transactions, the board of trustees of JBG SMITH (the "JBG SMITH Board") shall (i) increase the number of trustees of JBG SMITH to twelve, (ii) cause six individuals designated by the JBG Parties (such persons, and any replacement designees selected, the "JBG Board Designees") and six individuals designated by the Vornado Parties (such persons, and any replacement designees selected, the "Vornado Board Designees", and together with the JBG Board Designees, the "Board Designees") to compose the entire JBG SMITH Board, (iii) appoint Steven Roth as Chairman of the JBG SMITH Board and Rob Stewart as Vice Chairman of the JBG SMITH Board and (iv) appoint an equal number of JBG Board Designees and Vornado Board Designees to the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee (with the JBG Board Designees to serve on such committees being selected at the direction of the JBG Parties). In addition to Mr. Roth as Chairman, Mitchell Schear, the current President of Vornado/Charles E. SMITH, will serve as a trustee and be a Vornado Board Designee. In addition to Mr. Stewart as Vice Chairman, each of W. Matt Kelly and Michael Glosserman, who are currently Managing Partners of JBG, will serve as a trustee and be JBG Board Designees.

For a period of two years following the Closing, if any Vornado Board Designee or JBG Board Designee is unable or unwilling to serve or is otherwise no longer serving as a member of the JBG SMITH Board, then the remaining Vornado Board Designees or JBG Board Designees, respectively,

may designate a replacement individual reasonably satisfactory to the Nominating and Corporate Governance Committee of the JBG SMITH Board (a "Replacement Designee") and the JBG SMITH Board shall promptly appoint such Replacement Designee to fill the vacancy created thereby. In addition, at the first annual meeting following the Closing, the JBG SMITH Board will use no less rigorous efforts to cause the election of the Vornado Board Designees and JBG Board Designees (including their respective Replacement Designees) than the manner in which JBG SMITH supports other nominees for the JBG SMITH Board.

JBG SMITH will be led by the current management team of the JBG Management Entities. W. Matt Kelly will be named Chief Executive Officer, David Paul will be named President and Chief Operating Officer, James Iker will be named Chief Investment Officer and Brian Coulter and Kai Reynolds will be named Co-Chief Development Officers.

Representations, Warranties and Covenants

The Master Agreement contains certain representations and warranties made by the Vornado Parties, on the one hand, and certain representations and warranties made by the JBG Parties, on the other hand. The representations and warranties were made by the parties as of the date of the Master Agreement and as of the Closing. Certain of these representations and warranties are subject to specified exceptions and qualifications contained in the Master Agreement and qualified by information the parties provided to each other in disclosure letters delivered in connection with the Master Agreement and, in the case of the Vornado Parties, further qualified by documents or exhibits attached to certain recent filings filed with or furnished to the Securities and Exchange Commission (the "SEC") by the Vornado Parties, subject to certain exceptions.

Under the Master Agreement, the Vornado Parties and the JBG Parties have each agreed to certain customary covenants for transactions of this nature, including, among others, covenants:

- that the Vornado Parties shall cause JBG SMITH, JBG SMITH OP and each of the Vornado Included Entities to, and the JBG Parties shall, conduct their respective business in all material respects in the ordinary course of business consistent with past practices during the period between the execution of the Master Agreement and the Closing, subject to certain exceptions;
- not to engage in certain activities during the period between the execution of the Master Agreement and the Closing without the consent of the other Parties, not to be unreasonably withheld, delayed or conditioned, subject to certain exceptions;
- that the Vornado Parties and the JBG Parties will use commercially reasonable efforts to cooperate to arrange a credit financing for JBG SMITH and JBG SMITH OP on or immediately prior to the Closing (the "Credit Facility") on terms acceptable to them in their reasonable discretion;
- that the JBG Parties will implement the Restructuring Transactions prior to the Closing;

- that Vornado shall cause JBG SMITH to use its commercially reasonable efforts to cause the JBG SMITH Shares to be approved for listing on the NYSE prior to the Closing Date, subject only to official notice of issuance;
- that, as promptly as practicable following the execution of the Master Agreement, Vornado shall cause JBG SMITH to prepare and file the initial Form 10 with the SEC, and that Vornado shall, and shall cause JBG SMITH to, use commercially reasonable efforts to have such Form 10

declared effective by the SEC as promptly as practicable and keep the Form 10 effective for so long as necessary to consummate the Transactions; and

- that, following the Closing, upon request of the Vornado Parties from time to time, JBG SMITH or its subsidiary shall provide certain property management, asset management, leasing brokerage and other similar services with respect to any real property of the Vornado Parties located in the Washington, D.C. metropolitan area other than the Vornado Included Assets.

Exclusivity

From the date of the Master Agreement until the Closing or the date, if any, on which the Master Agreement is terminated, each party shall not, and shall cause each of its affiliates not to, and shall direct its representatives not to, directly or indirectly, solicit, initiate, knowingly facilitate or otherwise enter into any discussions, negotiations or agreements which could reasonably be expected to lead to a possible sale or other disposition of the Included Assets with any person other than the Vornado Parties or the JBG Parties, as applicable, subject to certain exceptions.

Conditions to Consummation of the Transactions

Consummation of the Transactions is subject to certain mutual conditions of the parties, including: (i) the approval for listing of the JBG SMITH Shares on the New York Stock Exchange (subject only to official notice of issuance); (ii) the absence of any law, order or injunction prohibiting the consummation of the Transactions; (iii) that any required waiting periods under antitrust laws have expired or been waived or terminated; (iv) the consummation of the Pre-Combination Transactions in all material respects in accordance with the Separation Agreement; (v) that the Form 10 has become effective and is not subject to any stop order or proceedings seeking a stop order; and (vi) that no more than 40% of the JBG Included Assets and no more than 20% of the Vornado Included Assets (calculated on the basis of their agreed asset valuations) have been designated as Kickout Interests. In addition, the Closing will not take place before the Outside Date unless the parties otherwise agree or, assuming the satisfaction or waiver of all other conditions to Closing (other than those that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), one of the parties exercises its right to cause the Closing to take place as follows: (i) the Vornado Parties may set the Revaluation Time to allow the Closing Date to be on or after March 15, 2017 once (a) no more than 10% of the Vornado Included Properties shall be Kickout Interests and (b) no more than 20% of the JBG Included Properties shall be Kickout Interests; (ii) the Vornado Parties may set the Revaluation Time to allow the Closing Date to be after May 1, 2017 once (a) no more than 15% of the Vornado Included Properties shall be Kickout Interests and (b) no more than 30% of the JBG Included Properties shall be Kickout Interests; (iii) the JBG Parties may set the Revaluation Time to allow the Closing Date to be after July 1, 2017 once (a) no more than 10% of the Vornado Included Properties shall be Kickout Interests, (b) no more than 20% of the JBG Included Properties shall be Kickout Interests and (c) no more than 20% of a specified subset of JBG Included Properties shall be Kickout Interests; and (iv) the JBG Parties may set the Revaluation Time to allow the Closing Date to be on or after March 15, 2017 once no Vornado Included Properties or Vornado Included Properties are deemed Kickout Interests.

In addition, the Vornado Parties' obligation to consummate the Transactions is subject to certain other conditions, including, among others, (i) the accuracy of the JBG Parties' representations and warranties and the JBG Parties' compliance with their covenants and agreements contained in the Master Agreement, subject to customary materiality and material adverse effect qualifiers; (ii) that the Vornado Parties shall have received a written opinion of their REIT counsel to the effect that commencing with JBG SMITH's first taxable year, JBG SMITH will meet the requirements for qualification and taxation as a REIT under the Code, and a written opinion of the REIT counsel of the

JBG Parties to the effect that certain REIT entities of the JBG Parties meet the requirements for qualification and taxation as a REIT under the Code; (iii) their receipt of a written opinion of Sullivan & Cromwell LLP, special tax counsel to Vornado, to the effect that the contribution by Vornado of all of its partnership interests in JBG SMITH OP to JBG SMITH together with the distribution of all of its JBG SMITH Shares to the shareholders of Vornado will qualify (a) as a transaction described in Section 368(a)(1)(D) and Section 355 of the Code, (b) as a transaction in which the stock distributed by Vornado is "qualified property" for purposes of Section 355(d) and 355(e) of the Code, and (c) as a transaction in which shareholders of Vornado will not recognize gain or loss upon the distribution under Section 355(a) of the Code; (iv) that certain key individuals shall have remained employed by the JBG Parties through the date of the Closing, and shall not have repudiated their employment agreements entered into with JBG SMITH prior to the Closing; and (v) that the JBG Parties have obtained all of the licenses, approvals, permits and registrations necessary to operate the management business of the JBG Parties following the Closing, subject to certain exceptions.

The JBG Parties' obligation to consummate the Transactions is also subject to certain other conditions, including, among others, (i) the accuracy of the Vornado Parties' representations and warranties and the Vornado Parties' compliance with their covenants and agreements contained in the Master Agreement, subject to customary materiality and material adverse effect qualifiers; (ii) that the JBG Parties shall have received a written opinion of its REIT counsel to the effect that commencing with JBG SMITH's first taxable year, JBG SMITH will meet the requirements for qualification and taxation as a REIT under the Code, and a written opinion of the REIT counsel of the Vornado Parties to the effect that Vornado and certain of its affiliates meet the requirements for qualification and taxation as a REIT under the Code; and (iii) that each current member of the JBG SMITH Board who is not a JBG Board Designee or a Vornado Board Designee shall have delivered an irrevocable written resignation from the JBG SMITH Board or shall have otherwise ceased to be a member of the JBG SMITH Board.

Termination

The Master Agreement may be terminated by either Vornado or the JBG Parties, if (i) the Closing has not occurred on or before December 29, 2017 (the "Outside Date"); (ii) if the Transactions are permanently enjoined or otherwise prohibited by action of a governmental entity; or (iii) in the event of

certain uncured breaches by the other party that would result in a closing condition being incapable of being satisfied by the Outside Date.

Contribution and Merger Agreements

Pursuant to the Master Agreement, JBG SMITH and the JBG Funds that are contributing the JBG Included Interests to JBG SMITH in the JBG Asset Contributions will enter into contribution agreements or merger agreements, substantially in the form attached to the Master Agreement. These contribution agreements and merger agreements will provide for the specific transactions necessary to contribute the JBG Included Interests to JBG SMITH.

In addition, pursuant to the Master Agreement, (i) JBG Properties will enter into a contribution agreement in the form attached to the Master Agreement, pursuant to which it will effect the JBG Properties Contribution, and (ii) and the JBG Management Entities will enter into contribution agreements substantially in the form attached to the Master Agreement, pursuant to which they will cause each JBG Managing Member Entity to effect the JBG Member Interest Contribution.

Partnership Merger Agreement

Pursuant to the Master Agreement, JBG Operating Partners will enter into a merger agreement (the "Partnership Merger Agreement") with JBG SMITH OP and a wholly-owned subsidiary of JBG

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SMITH OP, substantially in the form attached to the Master Agreement, pursuant to which JBG Operating Partners will merge with and into such subsidiary. The Partnership Merger Agreement will provide for the specific transactions necessary to effect the merger.

Cleaning Services Agreements

Pursuant to the Master Agreement, at the Closing certain subsidiaries of JBG SMITH and BMS, an affiliate of Vornado, will enter into agreements pursuant to which BMS will provide cleaning services to the real properties underlying the JBG Included Assets and the Vornado Included Assets.

Ancillary Agreements

The Master Agreement sets forth certain ancillary agreements into which JBG SMITH and Vornado will enter regarding the transactions necessary to separate JBG SMITH from Vornado and certain aspects of JBG SMITH's relationship with Vornado after the Closing. A brief summary of the expected terms of the principal ancillary agreements is included below.

The Separation Agreement

The Separation Agreement will set forth, among other things, the transactions necessary to separate JBG SMITH from Vornado and certain other agreements that govern certain aspects of JBG SMITH's relationship with Vornado after the Closing.

- The Separation Agreement will identify the assets to be transferred, the liabilities to be assumed and the contracts to be assigned to each of JBG SMITH and Vornado as part of the separation of Vornado into two companies, and it provides for when and how these transfers, assumptions and assignments will occur.
- The Separation Agreement will also govern the rights and obligations of the parties regarding the distribution following the completion of the separation. On the distribution date, Vornado will distribute to its shareholders that hold Vornado common shares as of the close of business on the record date all of its JBG SMITH Shares on a pro rata basis. Prior to such distribution by Vornado, VRLP will distribute to the holders of its common limited partnership units (including Vornado) as of the close of business on the record date all of the issued and outstanding JBG SMITH Shares on a pro rata basis.
- The Separation Agreement will also provide that the distribution is subject to the satisfaction (or waiver by Vornado) of certain conditions, provided however that unless the Master Agreement shall have been terminated in accordance with its terms, any such waiver shall be subject to the consent of JBG Properties. Subject to compliance with the terms of the Master Agreement, Vornado will have the sole and absolute discretion to determine the terms of the distribution by each of Vornado and VRLP, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the distribution and the timing and conditions to the consummation of the distribution, and may, from time to time until the consummation of the distribution, change the terms of the distribution, including by accelerating or delaying the timing of the distribution by each of Vornado and VRLP.
- In general, each party to the Separation Agreement will assume liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities, and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

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- The Separation Agreement will provide that it shall be terminated simultaneously with the valid termination of the Master Agreement prior to the effective time of the distribution. In the event of a termination of the Separation Agreement, no party, nor any of its directors, trustees, officers, or employees, will have any liability of any kind to the other party or any other person. After the distribution date, the Separation Agreement may not be terminated except by an agreement in writing signed by both Vornado and JBG SMITH.

Transition Services Agreement

In connection with the Separation Agreement, Vornado and JBG SMITH will negotiate and enter into a Transition Services Agreement prior to the distribution pursuant to which Vornado and its subsidiaries will provide various corporate support services to JBG SMITH on an interim, transitional basis.

The specific services to be provided to JBG SMITH, and the cost of such services, have not yet been determined.

Tax Matters Agreement

In connection with the Separation Agreement, Vornado and JBG SMITH will enter into a Tax Matters Agreement prior to the External Distribution which will generally govern Vornado's and JBG SMITH's respective rights, responsibilities and obligations after the External Distribution with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the External Distribution and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes, tax returns, tax elections, tax contests and certain other tax matters.

In addition, the Tax Matters Agreement will impose certain restrictions on JBG SMITH and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets and similar transactions) that will be designed to preserve the tax-free status of the External Distribution and certain related transactions. The Tax Matters Agreement will provide special rules that allocate tax liabilities in the event the External Distribution, together with certain related transactions, is not tax-free. In general, under the Tax Matters Agreement, each party is expected to be responsible for any taxes imposed on Vornado or JBG SMITH that arise from the failure of the External Distribution, together with certain related transactions, to qualify as a tax-free transaction for U.S. federal income tax purposes under Sections 368(a)(1)(D) and 355 of the Code, to the extent that the failure to so qualify is attributable to actions, events or transactions relating to such party's respective shares, assets or business, or a breach of the relevant representations or covenants made by that party in the Tax Matters Agreement.

Employee Matters Agreement

In connection with the Separation Agreement, Vornado and JBG SMITH will enter into an Employee Matters Agreement to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs, and other related matters.

The Employee Matters Agreement will govern Vornado's and JBG SMITH's compensation and employee benefit obligations relating to current and former employees of each company, and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs. The Employee Matters Agreement will provide that, no later than the date of the distribution, JBG SMITH's active employees generally will commence participation in JBG SMITH's compensation and benefit plans and programs. In addition, the Employee Matters Agreement will provide that, unless otherwise specified, Vornado will be responsible for liabilities associated with employees who will be employed by Vornado following the separation and former Vornado employees, and JBG SMITH will

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be responsible for liabilities associated with employees who will be employed by JBG SMITH following the separation.

The Employee Matters Agreement also will set forth the general principles relating to employee matters, including with respect to the assignment of employees, the assumption and retention of liabilities and related assets, workers' compensation, leaves of absence, employee service credit, the sharing of employee information and the duplication of benefits.

Forward-Looking Statements

Certain statements contained herein may constitute "forward-looking statements" as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Consequently, the future results, financial condition and business of Vornado Realty Trust ("Vornado") and of the planned spin-off entity ("JBG SMITH") may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates", "believes", "expects", "anticipates", "estimates", "intends", "plans", "would", "may" or similar expressions in this press release. We also note the following forward-looking statements: in the case of our development and redevelopment projects, the estimated completion date, estimated project cost and cost to complete; and estimates of future capital expenditures, dividends to common and preferred shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. These factors include, among others: uncertainties as to the timing of the spin-off and the combination (the "Transactions") with JBG Properties, Inc. ("JBG Properties"), JBG/Operating Partners, L.P. ("JBG Operating Partners"), and together with JBG Properties, the "JBG Management Entities"), and certain pooled investment funds that are affiliates of the JBG Management Entities (the "JBG Funds"), and together with the JBG Management Entities, the "JBG Parties") and whether they will be completed, the possibility that various closing conditions to Transactions may not be satisfied or waived, the expected tax treatment of the Transactions, the composition of JBG SMITH's portfolio following the completion of the Transactions, the possibility that third-party consents required to transfer certain properties in the Transactions will not be received, the impact of the Transactions on the businesses of Vornado and JBG SMITH, the timing of and costs associated with property improvements, financing commitments, and general competitive factors. For further discussion of factors that could materially affect the outcome of our forward-looking statements and other risks and uncertainties, see "Risk Factors" in Vornado's annual and quarterly periodic reports filed with the SEC. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this Current Report on Form 8-K.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) In connection with entry into the Master Agreement, in addition to the grants of Formation Units described in Item 1.01 above, the Compensation Committee of the Vornado Board of Trustees approved a letter agreement dated October 31, 2016 (the "Letter Agreement") pursuant to which Steven Roth, Vornado's Chairman and Chief Executive Officer, will be entitled to receive, in connection with his service on the JBG SMITH Board, a grant of a number of Formation Unit awards equal to

\$6,500,000 divided by the value of a JBG SMITH Share on the first trading day following the Closing. The Formation Units awarded to Mr. Roth will have the same general terms as the Formation Units to be granted to employees of JBG SMITH described above, and also provide for vesting upon retirement from the JBG SMITH Board.

Item 7.01. Regulation FD Disclosure.

On October 31, 2016, Vornado issued a press release to announce the signing of the Master Agreement, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

In addition, Vornado has prepared an investor presentation related to the Transactions, which is attached hereto as Exhibit 99.2 and incorporated herein by reference. Vornado intends to use this investor presentation in connection with an investor conference call scheduled for 10:00 a.m. on November 1, 2016 (please see the press release attached hereto as Exhibit 99.1 for dial-in and playback information regarding this conference call) and at various meetings with Vornado shareholders in the coming weeks. The information set forth in Item 7.01 of this Current Report on Form 8-K and in the attached Exhibits 99.1 and 99.2 is deemed to be “furnished” and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that Section. The information set forth in Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed incorporated by reference into any filing under the Exchange Act or the Securities Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibits.
 - 99.1 Press Release of Vornado Realty Trust, dated October 31, 2016.
 - 99.2 Investor presentation dated October 31, 2016.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VORNADO REALTY TRUST
(Registrant)

By: /s/ Stephen W. Theriot
Name: Stephen W. Theriot
Title: Chief Financial Officer, Vornado Realty Trust

Date: October 31, 2016

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VORNADO REALTY L.P.
(Registrant)

By: VORNADO REALTY TRUST,
Sole General Partner
By: /s/ Stephen W. Theriot
Name: Stephen W. Theriot
Title: Chief Financial Officer, Vornado Realty Trust

Date: October 31, 2016

Exhibit Index

- 99.1 Press Release of Vornado Realty Trust, dated October 31, 2016.
- 99.2 Investor presentation dated October 31, 2016.

CONTACT: STEPHEN THERIOT
(201) 587-1000



FOR IMMEDIATE RELEASE — October 31, 2016

**Vornado to Spin Off Its Washington, DC Business
and Merge it with The JBG Companies**

\$8.4 Billion Transaction Represents Next Step in Value Creation Strategy

**Vornado Post-Spin to be Best-In-Class, Highly Focused, New York-Centric
Office and High Street Retail REIT**

NEW YORK....VORNADO REALTY TRUST (NYSE:VNO) (“Vornado”) announced today that its Board of Trustees has approved a tax-free spin-off of its Washington, DC business, currently known as Vornado/Charles E. Smith, and that it has entered into a definitive agreement to merge SpinCo with the operating company and certain select assets of The JBG Companies (“JBG”), a leading Washington, DC real estate company.

The combined company will be named JBG SMITH Properties. It will be the largest, market-leading, best-in-class, pure-play Washington, DC real estate company.

This transaction represents a key milestone in Vornado’s value creation strategy which will have produced three world-class, highly focused REITs — Vornado itself (RemainCo), Urban Edge Properties, and now, JBG SMITH. Each of these companies has a highly focused management team, unique assets, and a clearly defined mission.

About JBG SMITH

- Vornado shareholders are expected to own approximately 74% of the combined company, JBG limited partners are expected to own approximately 20%, and JBG management is expected to own approximately 6% (all percentages subject to closing adjustments).
- JBG SMITH will be led by JBG’s senior management team which has a proven track record of superior execution in the Washington, DC market over the long term and through numerous cycles.
- The combined company’s portfolio will consist of 50 office properties totaling approximately 11.8 million square feet, 18 multifamily properties with 4,451 residential units, and 11 other properties totaling approximately 0.7 million square

feet. These assets are located in premier submarkets within the Washington, DC metropolitan area, concentrated in Downtown District of Columbia, Crystal City and Pentagon City, the Rosslyn-Ballston Corridor, Reston, and Bethesda.

- Importantly, JBG SMITH will have a pipeline of projects under construction and land for future development that could add over 20 million square feet to the portfolio, positioning the company for strong growth and attractive shareholder returns.
- JBG SMITH will be the largest landlord to the U.S. Government in the nation’s capital.
- The Company will be well capitalized, have substantial liquidity and a strong balance sheet.
- The combination is expected to result in approximately \$35 million of synergies producing an overhead structure in line with best-in-class peers.
- The new company will continue to manage the JBG funds’ assets that are not being contributed for customary fees. The company will not raise new investment funds.

JBG SMITH Board and Management

- JBG SMITH’s Board of Trustees will consist of twelve members, a majority of whom will be independent. Vornado and JBG will each designate six trustees.
- Steven Roth, Vornado’s Chairman and Chief Executive Officer, will be Chairman of the Board.
- W. Matt Kelly, a Managing Partner of JBG, will be Chief Executive Officer of JBG SMITH and a member of the Board.
- Rob Stewart, a Managing Partner of JBG, will be Executive Vice Chairman of the Board.
- The Board will also include seven independent trustees including Alan Forman of the Yale University Investments Office, JBG’s largest investor.
- Michael Glosserman, a Managing Partner of JBG, will also join the Board, as will Mitchell Schear, current President of Vornado/Charles E. Smith.
- From JBG, David Paul will be President and Chief Operating Officer, James Iker will be Chief Investment Officer, and Brian Coulter and Kai Reynolds will be Co-Chief Development Officers.
- From Vornado/Charles E. Smith, Mitchell Schear will be a member of the Executive Committee, Patrick Tyrrell will be Chief Administrative Officer, Jim Creedon will be Executive Vice President responsible for Office Leasing, and Laurie Kramer will be Executive Vice President focused on integration of the teams.
- The new company will look outside for a Chief Financial Officer and intends to have that individual in place before the close of the transaction.
- The new company will integrate the best talent from each of Vornado/Charles E. Smith and JBG.
- Vornado will provide transition services to JBG SMITH, in areas such as IT, tax and SEC reporting for an interim period.

Vornado Post-Spin

Following the spin-off, Vornado will be a best-in-class, highly focused, New York-centric office and high street retail REIT that will own 18.7 million square feet of Class A Manhattan office properties in the best submarkets; the largest, highest-quality and unique Manhattan high street retail portfolio, encompassing 3.1 million square feet in 72 properties; and prime franchise assets in San Francisco (the 1.8 million square foot 555 California Street) and Chicago (the 3.7 million square foot theMART).

Steven Roth, Chairman and Chief Executive Officer of Vornado, said, “In addition to our irreplaceable portfolio in New York City, Vornado has a fortress balance sheet, significant dividend growth potential driven by recently signed leases, and a unique value creation opportunity from our Penn Plaza holdings.”

Mr. Roth added, “In January of last year, we spun-off to shareholders our shopping center business, Urban Edge Properties. Led by Jeff Olson, Urban Edge’s total shareholder return since the spin has outperformed the RMS index by 14%. Today we announced the creation of JBG SMITH, which will be the market-leading Washington, DC powerhouse, with a portfolio of premium office and residential, urban-infill, transit-oriented assets that have substantial embedded growth. The pipeline of projects under construction and land for future development will create enormous value. We are very optimistic about the future of JBG SMITH under the leadership of Matt Kelly and his outstanding team.”

The Distribution

The pro rata distribution of JBG SMITH’s shares to Vornado common shareholders and Vornado Realty L.P. common unitholders is intended to be treated as a tax-free spin-off for U.S. federal income tax purposes. It is expected to be made on a pro rata 1:2 basis. Vornado anticipates that the combination of Vornado’s and JBG SMITH’s dividends will be at least equal to Vornado’s current annualized dividend of \$2.52 per share. JBG SMITH intends to be listed on the New York Stock Exchange under the ticker symbol JBGS.

The initial Form 10 registration statement relating to the spin-off is expected to be filed with the Securities and Exchange Commission (“SEC”) in the fourth quarter of 2016, and the distribution and combination are expected to be completed in the second quarter of 2017. The transactions are subject to certain conditions, including the SEC declaring that JBG SMITH’s registration statement is effective, filing and approval of JBG SMITH’s listing application, Hart-Scott Rodino and receipt of regulatory approvals and third party consents by each of Vornado and JBG, and formal declaration of the distribution by Vornado’s Board of Trustees. The transactions are not subject to a vote by Vornado shareholders. Vornado’s Board of Trustees has approved the transaction. JBG has obtained all requisite approvals from its investment funds for this transaction.

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Goldman, Sachs & Co. and Morgan Stanley & Co. LLC are Vornado’s exclusive financial advisors and Sullivan & Cromwell LLP and Roberts and Holland are legal advisors to Vornado in connection with the proposed transactions. BofA Merrill Lynch is the exclusive financial advisor and Hogan Lovells US LLP is the legal advisor to JBG.

Conference Call Details

Vornado will hold a conference call to discuss its third quarter results as well as the transaction at 10:00 a.m. on November 1, 2016. JBG management will join the call as well. The conference call can be accessed by dialing 888-771-4371 (toll free) or 847-585-4405 (international) and entering the passcode 43587461#.

A telephonic replay of the conference call and an online audio playback will be available until December 1, 2016. The telephonic replay can be accessed by dialing 888-843-7419 and entering the passcode 43587461# and the online audio playback can be accessed at www.vno.com.

Supplemental Materials and Website

An investor presentation about the transaction is available on Vornado’s website at www.vno.com. The investor presentation and this press release have also been furnished to the SEC in a current report on Form 8-K.

About the Companies

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

The JBG Companies are investors, owners, developers, and managers of real estate properties in the Washington, D.C. Metropolitan Area. JBG is a mixed-use specialist that invests almost exclusively in urban-infill, transit-oriented real estate. The portfolio controlled by JBG encompasses over 22 million RSF of urban-infill commercial and multifamily properties and a land bank with substantial estimated potential density. Additional information about JBG can be found on its website at www.jbg.com.

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Forward-Looking Statements

Certain statements contained herein may constitute “forward-looking statements” as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Consequently, the future results, financial condition and business of Vornado Realty Trust (“Vornado”) and of the planned spin-off entity (“JBG SMITH”) may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as “approximates”, “believes”,

“expects”, “anticipates”, “estimates”, “intends”, “plans”, “would”, “may” or similar expressions in this press release. We also note the following forward-looking statements: in the case of our development and redevelopment projects, the estimated completion date, estimated project cost and cost to complete; and estimates of future capital expenditures, dividends to common and preferred shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. These factors include, among others: uncertainties as to the timing of the spin-off and the combination with The JBG Companies (the “Transactions”) and whether they will be completed, the possibility that various closing conditions to Transactions may not be satisfied or waived, the expected tax treatment of the Transactions, the composition of JBG SMITH’s portfolio following the completion of the Transactions, the possibility that third-party consents required to transfer certain properties in the Transactions will not be received, the impact of the Transactions on the businesses of Vornado and JBG SMITH, the timing of and costs associated with property improvements, financing commitments, and general competitive factors. For further discussion of factors that could materially affect the outcome of our forward-looking statements and other risks and uncertainties, see “Risk Factors” in Vornado’s annual and quarterly periodic reports filed with the SEC. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this press release.

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VORNADO
REALTY TRUST



JBG SMITH
PROPERTIES

Creating the Premier New York and Washington, DC REITs

October 31, 2016

Certain statements contained in this investor presentation constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Consequently, the future results, financial condition and business of Vornado Realty Trust ("Vornado") and of the planned spin-off entity ("JBG SMITH") may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates", "believes", "expects", "anticipates", "estimates", "intends", "plans", "would", "may" or similar expressions in this presentation. We also note the following forward-looking statements: in the case of our development and redevelopment projects, the estimated completion date, estimated project cost and cost to complete; and stabilized yields, estimates of future capital expenditures, dividends to common and preferred shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. These factors include, among others: uncertainties as to the timing of the spin-off and whether it will be completed, the possibility that various closing conditions to the spin-off may not be satisfied or waived, the expected tax treatment of the spin-off, the composition of the spin-off portfolio, the possibility that third-party consents required to transfer certain properties in the spin-off will not be received, the impact of the spin-off on the businesses of Vornado and JBG SMITH, the timing of and costs associated with property improvements, financing commitments, and general competitive factors. For further discussion of factors that could materially affect the outcome of our forward-looking statements and other risks and uncertainties, see "Risk Factors" in Vornado's Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent quarterly periodic reports filed with the SEC.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this presentation.

General Disclaimer of JBG Information

JBG information included in this presentation has been provided to Vornado by JBG in connection with the proposed transaction. Vornado has not verified the accuracy or completeness of the JBG information. Certain of the JBG information is based solely on JBG's estimates using data available to JBG and assumptions made by JBG and JBG's current business plans and may change. In certain instances, these estimates and assumptions have been used as a basis to derive asset values and potential future property-level NOI. As is the case with any estimate or assumption, there can be no assurance that the assumptions or estimates are correct or that the NOI will be achieved. You are cautioned not to place undue reliance on these estimates of assumptions or information derived therefrom.

Market Data

Market data and industry forecasts are used in this presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be reliable but the accuracy and completeness of the information are not assured. Vornado has not independently verified any of such information.

Non-GAAP Measures

This presentation includes non-GAAP measures. Management uses these non-GAAP measures as supplemental performance measures for its assets and believes they provide useful information to investors, but they may not be comparable to other real estate companies' similarly captioned measures. Additional information about these non-GAAP measures, including a reconciliation to the most comparable GAAP measure, can be found on pages II – IV of this presentation.

Non-GAAP Measures

This investor presentation contains certain non-GAAP financial measures, including earnings before interest, taxes, depreciation and amortization ("EBITDA") and net operating income ("NOI").

EBITDA is earnings before interest, taxes, depreciation and amortization and is presented after net income attributable to non-controlling interests in the Operating Partnership. EBITDA, as adjusted is EBITDA adjusted by income from sold properties, gains on sale of real estate, impairment losses and other items. We consider EBITDA and Adjusted EBITDA to be supplemental measures for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on a multiple of EBITDA or Adjusted EBITDA, we utilize these measures to make investment decisions as well as to compare the performance of our assets to that of our peers. EBITDA and Adjusted EBITDA should not be considered as substitutes for net income. EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures employed by other companies. A reconciliation of EBITDA and Adjusted EBITDA to Net Income, the most directly comparable GAAP measure, is provided on the following page.

Vornado RemainCo EBITDA is Adjusted EBITDA calculated as described above, but excluding interest and other investment income, net, earnings for Hotel Pennsylvania, and earnings from our Washington, DC business. It is used in this presentation as an illustration of EBITDA, as adjusted, of Vornado following the completion of the spin-off and combination transactions described elsewhere in this presentation.

NOI is calculated by adjusting GAAP operating income to add back depreciation and amortization expense, general and administrative expenses, real estate impairment losses and non-cash ground rent expense, and deducting non-cash rental income resulting from the straight-lining of rents and amortization of acquired below market leases net of above market leases. We believe NOI is a meaningful non-GAAP financial measure because real estate acquisitions and dispositions are evaluated based on, among other considerations, property NOI applied to market capitalization rates. We utilize these measures to make investment and capital allocation decisions and to compare the unlevered performance of our properties to our peers. NOI should not be considered as a substitute for operating income or net income and may not be comparable to similarly titled measures employed by others. A reconciliation of NOI to Net Income, the most directly comparable GAAP measure, is provided on the following page.

Vornado RemainCo Cash NOI is Vornado RemainCo EBITDA calculated as described above, but excluding equity compensation, equity earnings from ALX in excess of dividends and non-cash revenue from straight-line rentals and FAS 141 below market rentals. It is used in this presentation as an illustration of the expected Cash NOI of Vornado following the completion of the spin-off and combination transactions described elsewhere in this presentation.

Reconciliation of Vornado RemainCo's Net Income to EBITDA, Adjusted EBITDA and Cash Net Operating Income for the twelve months ended December 31, for the fiscal years 2006 through 2015, as well as the twelve months ended September 30, 2016

SMM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	LTM (9/30/16)	
											PF VNO	NYC Only
Net income attributable to Vornado	560	569	395	106	648	662	617	476	865	760	491	706
Net income attributable to NCI in the OP	80	70	55	25	55	56	45	25	48	43	26	-
Interest and debt expense	693	823	783	827	828	798	761	759	654	470	498	273
Depreciation and amortization	543	677	711	729	729	778	735	733	686	665	692	437
Income tax expense	(12)	4	(142)	10	(23)	5	7	26	24	(85)	13	6
EBITDA	1,863	2,143	1,801	1,697	2,238	2,298	2,165	2,019	2,277	1,853	1,720	1,421
Adjustments, net ¹	(969)	(971)	(593)	(568)	(1,001)	(1,026)	(918)	(636)	(835)	(332)	(161)	(323)
Adj. EBITDA	894	1,172	1,208	1,129	1,236	1,272	1,247	1,383	1,442	1,521	1,559	1,098
Income from RE Fund Inv. attributable to Vornado	-	-	-	-	(1)	(9)	(25)	(50)	(70)	(34)	(25)	-
Hotel Pennsylvania	(28)	(38)	(42)	(15)	(24)	(30)	(28)	(30)	(31)	(23)	(13)	(13)
Interest and other investment income, net ²	(115)	(179)	(110)	(66)	(37)	(41)	(25)	(24)	(6)	(7)	(7)	-
Washington, DC segment	(298)	(329)	(350)	(375)	(409)	(404)	(353)	(334)	(326)	(323)	(318)	-
VNO RemainCo Adj. EBITDA (excl. Fund Inv., Hotel Penn, and VCP)	454	626	705	674	766	788	817	945	1,008	1,135	1,197	1,085
Non-cash adjustments:												
Equity based compensation	12	20	25	12	25	22	25	29	30	34	30	7
Less:												
Equity earnings on ALX in excess of dividend	(50)	(44)	(28)	(38)	(28)	(28)	(22)	(24)	(23)	(20)	(21)	(21)
Straight-line and FAS 141 Adjustment	(20)	(92)	(117)	(101)	(108)	(74)	(108)	(128)	(125)	(231)	(218)	(183)
EBITDA of 85 10th Avenue	-	-	-	-	(21)	(22)	(23)	(22)	(17)	(26)	(29)	-
VNO RemainCo NOI (excl. Fund Inv., Hotel Penn, and VCP)	396	510	585	547	635	686	689	799	874	891	959	888

1. Includes income from sold properties, gains on sale of real estate, impairment losses, and other adjustments.

2. Includes interest on mezzanine debt, dividends on marketable securities, income on corporate investments and other adjustments.

iii.

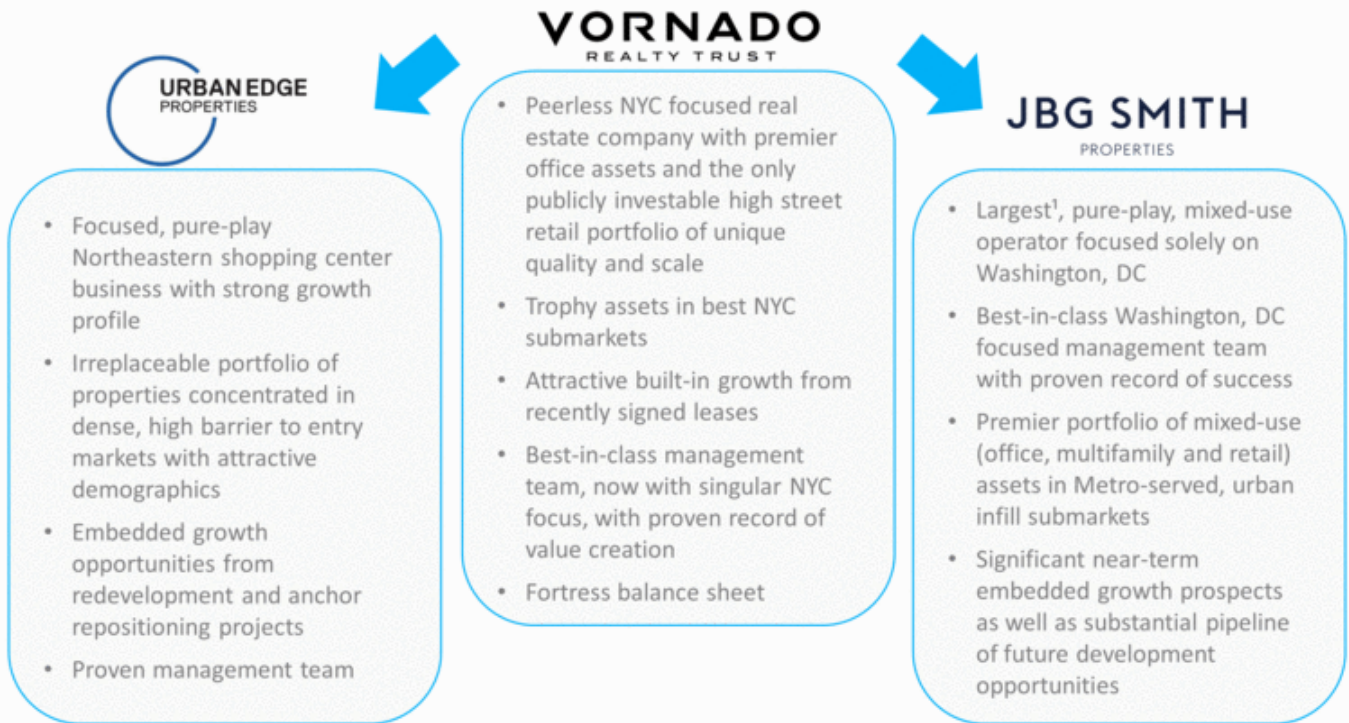
GAAP RECONCILIATION (CONT'D)

Reconciliation of Vornado RemainCo's Total Incremental Revenue to Cash Incremental Revenue attributable to leases signed, but not yet commenced, for the three months ended December 31, 2016, and the twelve months ended December 31, 2017 and 2018

	GAAP Incremental Revenue	Straight-line Rent Adj.	Cash Incremental Revenue
Q4 2016	4	14	18
2017	39	78	117
2018	7	31	38
Total	49	123	173

Vornado to combine its Washington, DC business with The JBG Companies via a tax-free spin-merger to form a new market-leading, publicly-traded REIT named JBG SMITH Properties (NYSE: JBGS)

Upon the completion of this transaction, we will have created three best-in-class, highly focused REITs



1. Based on Commercial SF as reported per latest financial statements for public office REITs with Washington, DC exposure.

Total transaction value of ~\$8.4 billion¹ creating the market-leading, pure-play Washington, DC real estate platform

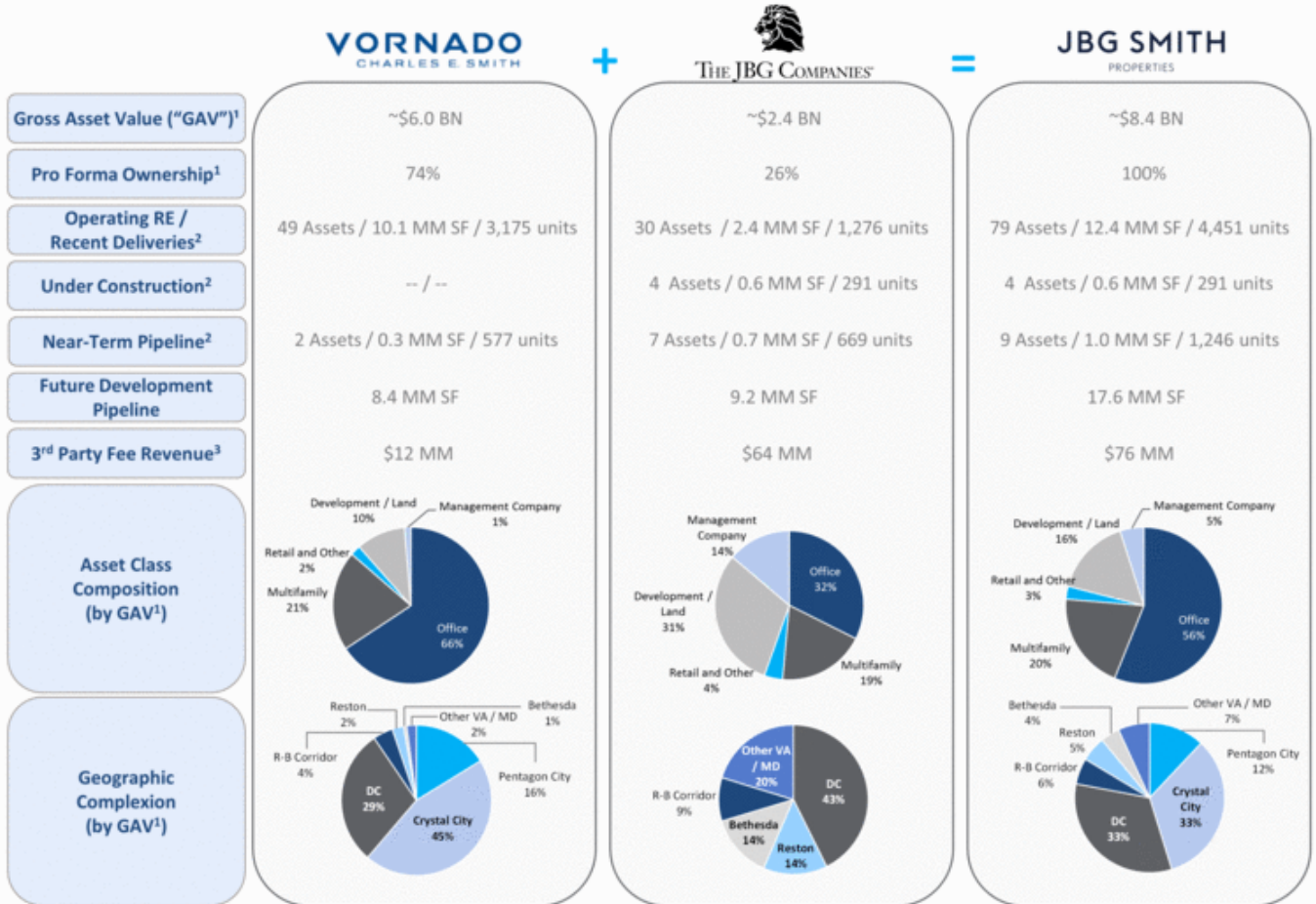
Deal Summary	<ul style="list-style-type: none"> Vornado to spin off its Washington, DC business consisting of 10.1 MM SF² of commercial real estate, 3,175 multifamily units and a future development pipeline with estimated development potential of 9.2 MM SF³ JBG simultaneously to merge its management company and a selected portfolio consisting of 2.4 MM SF of commercial real estate, 1,276 multifamily units, 0.8 MM SF under construction and a future development pipeline with estimated development potential of 10.5 MM SF³ JBG SMITH will be well-capitalized to execute on its growth plans
Expected Pro Forma Ownership¹	<ul style="list-style-type: none"> VNO Shareholders: 74% JBG Limited Partners: 20% JBG Management⁴: 6%
Management and Board	<ul style="list-style-type: none"> Will be led by JBG's senior management team with the best talent from both companies across the overall platform 12 member Board of Trustees; VNO and JBG to each designate six Trustees Chairman: Steven Roth (VNO Chairman and CEO) CEO: W. Matt Kelly (JBG Managing Partner) Executive Vice Chairman: Rob Stewart (JBG Managing Partner) Mitchell Schear (Vornado DC President) and Michael Glosserman (JBG Managing Partner) to be Trustees
Overhead Cost Structure	<ul style="list-style-type: none"> Pro forma overhead cost structure to be in line with best-in-class peers
Impact on Vornado	<ul style="list-style-type: none"> Remaining Vornado will be <u>the</u> premier, pure-play New York City real estate company with irreplaceable office and high street retail assets Vornado anticipates that the aggregate pro forma Vornado and JBG SMITH dividends will be at least equal to Vornado's current annualized dividend of \$2.52 per share
Expected Closing	<ul style="list-style-type: none"> 2Q 2017, subject to certain closing conditions

1. Transaction value represents an estimate of fair market value and does not reflect GAAP accounting. Transaction value and resulting ownership percentages based on negotiations between Vornado and JBG management teams. Final transaction value and ownership percentages subject to change based upon additional capital fundings prior to closing and certain closing adjustments. Excludes cash and net working capital.

2. The Skyline portfolio and Fashion Centre will not be included in JBG SMITH.

3. Square footage ("SF") and multifamily unit metrics at share. Development pipeline includes both near-term and future development pipeline.

4. Includes the 21 owners of the contributed JBG Management Company.



1. Reflects transaction value, which is an estimate of fair market value and does not reflect GAAP accounting. Transaction value and resulting ownership percentages based on negotiations between Vornado and JBG management. Final transaction value and ownership percentages subject to change based upon additional capital fundings prior to closing and certain closing adjustments. Excludes cash and net working capital.
 2. Square footage excludes multifamily assets.
 3. 2017E Estimates.

Vornado believes that creating two separate, market-leading, focused REITs will greatly enhance shareholder value

Benefits to Vornado Shareholders

- Creates the premier, pure-play New York City real estate company
- Sharpens focus on Vornado’s unique New York City franchise and irreplaceable portfolio
- Allows investors to more fully appreciate the industry-leading metrics of the New York business

Rationale for DC Separation

- Enables investors to decide upon relative allocation between the two geographies
- Improves transparency and better highlights the attributes of both companies
- Allows investors to participate more directly and meaningfully in Washington, DC’s market recovery
- Allows for independent, highly focused management teams with their own report cards

Rationale for Combination with JBG

- The industry-leading Washington, DC operator with superior capital allocation skills
- Greater geographic diversification within Washington, DC and concentration in the best submarkets
- Increased scale provides competitive market advantages and improved G&A efficiency

Vornado

Largest¹ / Peerless New York City Focused REIT

- ✓ Premier Office Buildings
- ✓ Prime High Street Retail
- ✓ Penn Plaza Opportunity
- ✓ Fortress Balance Sheet

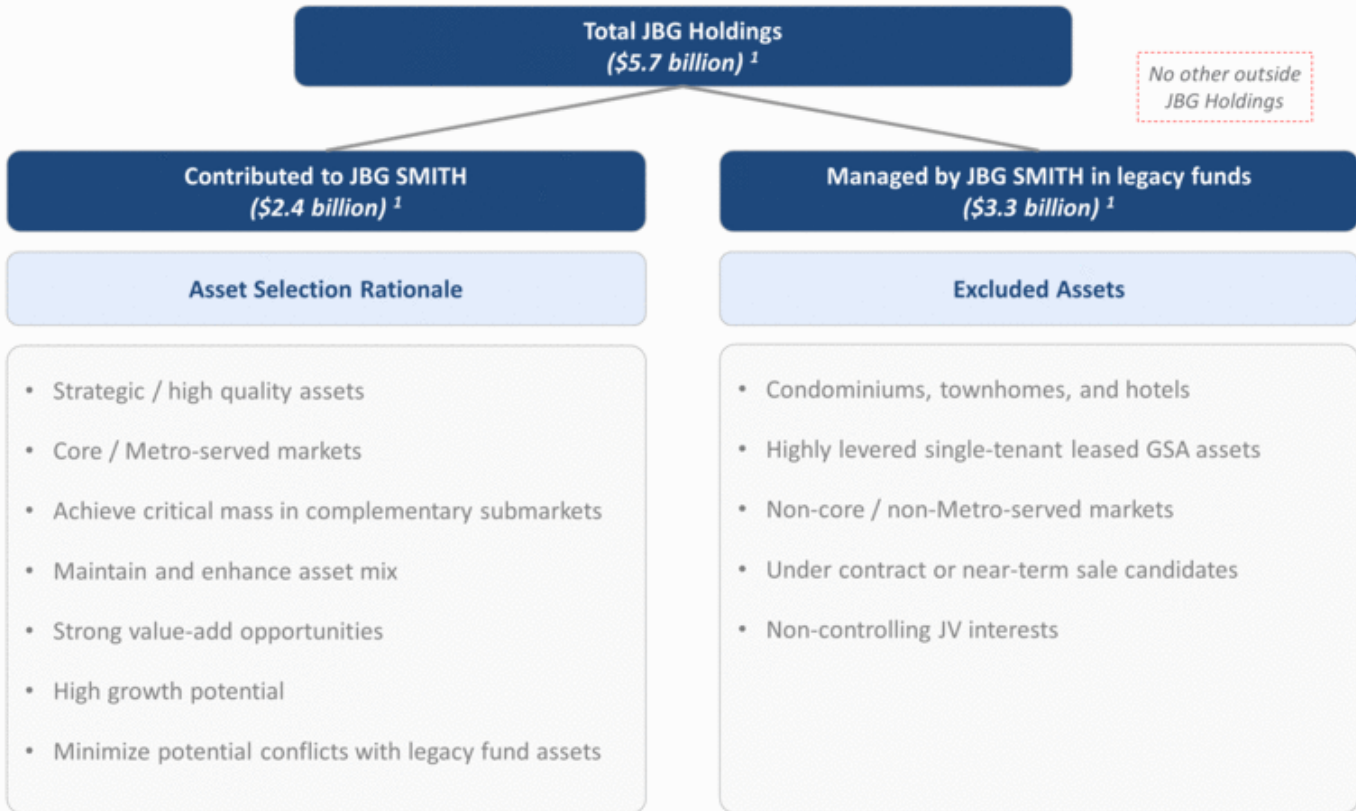
JBG SMITH Properties

Powerhouse Washington, DC Focused REIT

- ✓ Urban, Metro-served Portfolio
- ✓ High-Barrier-to-Entry Submarkets
- ✓ Substantial Development Pipeline
- ✓ Strong Balance Sheet


1. Based upon analysis completed by Green Street Advisors as of August 2016, see page 14 for details.

The best assets from JBG’s portfolio were selected to complement Vornado’s existing Washington, DC portfolio and position the combined company for outsized growth



1. Represents GAV shown at pro rata share; includes management estimated value of 3rd party management platform

Detailed underwriting and consistent methodologies were used to determine relative ownership

	VORNADO CHARLES E. SMITH	 THE JBG COMPANIES		
<i>(\$ in millions, except PSF and per unit data)</i>				
Operating Real Estate:			Vornado	JBG
Office	\$ 3,941	\$ 786	\$407 PSF	\$379 PSF
Multifamily	860	141	\$347k / unit	\$248k / unit
Retail	127	97	\$310 PSF	\$347 PSF
Recent Multifamily Deliveries ¹	379	322	\$542k / unit	\$455k / unit
Implied Value of Operating Real Estate	\$ 5,307	\$ 1,346	~5.1%²	~5.1%²
Under Construction	--	245	--	\$298 PSF
Development Opportunities / Land Bank	610	502	\$67 PSF	\$48 PSF
Platform and Management Company ³	80	335	NM	8.1x
Implied Gross Asset Value	\$ 5,997	\$ 2,428		
Less: Total Debt ⁴	(1,508)	(864)		
Implied Equity Value	\$ 4,489	\$ 1,564		
Relative Ownership	74%	26%		

Note: Reflects transaction value, which is an estimate of fair market value and does not reflect GAAP accounting. Transaction value and resulting ownership percentages based on negotiations between Vornado and JBG management. Final transaction value and ownership percentages subject to change based upon additional capital funding prior to closing and certain closing adjustments. Excludes cash and net working capital.

1. Vornado DC recent deliveries include the Bartlett (699 units). JBG recent deliveries include Atlantic Plumbing, 7770 Norfolk, Fort Totten Square, and Galvan (707 total units).

2. Weighted average implied cap rates based on 2017E cash NOI estimates after property management fees.

3. JBG multiple based on 2015/2016E average management company EBITDA of \$41.5MM.

4. Will be reduced by the cash funded to JBG SMITH at closing.

JBG SMITH Management¹ will have significant ownership (expected to be 6%²) of the combined entity and will be heavily aligned with long term shareholder value creation

- JBG management company consideration (\$335MM) will be 50% vested at closing and subject to 3-year lock-up (other than 10%), and 50% will vest equally from months 31 to 60 after closing and be locked-up until the end of year 5
- Management team will continue to receive promotes they are entitled to on legacy fund assets, but will not receive promotes on contributed assets
- Vast majority of management team's net worth will be tied up in JBG SMITH stock
- \$100MM formation equity award granted to broader JBG SMITH executive pool will serve to further align interests deeper within the organization
 - Formation equity award is 100% performance-based³ with vesting of 25% at the end of years three and four and 50% at the end of year five
- Each executive officer will enter into an employment agreement with an initial term of three years and evergreen thereafter

Legacy funds will be wound down and no new funds will be raised going forward

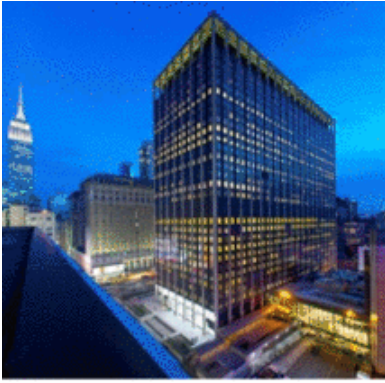
1. Includes the 21 owners of the contributed JBG Management Company.

2. Transaction value and resulting ownership percentages based on negotiations between Vornado and JBG management. Final transaction value and ownership percentages subject to change based upon additional capital fundings prior to closing and certain closing adjustments. Excludes cash and net working capital.

3. Formation awards are tied to the appreciation of JBG SMITH common shares from the grant date.

Transaction Timing	Distribution Process	Conditions Precedent	REIT Status / Considerations
<ul style="list-style-type: none"> • File initial Form 10 registration statement with SEC prior to year end • Target completion of transaction by second quarter 2017 	<ul style="list-style-type: none"> • The distribution is expected to be made on a pro rata 1:2 basis to Vornado common shareholders and Vornado Realty L.P. common unitholders as of the distribution record date • Following the distribution, Vornado common shareholders will own shares in both Vornado and JBG SMITH and Vornado Realty L.P. common unitholders will hold common units of both Vornado Realty L.P. and JBG SMITH's operating partnership ¹ • The number of Vornado common shares owned by each shareholder and the number of Vornado Realty L.P. common units held by each unitholder will not change as a result of this distribution 	<ul style="list-style-type: none"> • Declaration by the SEC that JBG SMITH's registration statement is effective • Approval of JBG SMITH listing by NYSE (Ticker: JBGS) • Final declaration of the distribution by Vornado's Board of Trustees • Receipt of customary third party consents • Hart Scott Rodino • Transaction not subject to Vornado shareholder vote • Other customary conditions 	<ul style="list-style-type: none"> • JBG SMITH will have in place customary governance terms for a public company Maryland REIT and will operate as a standard UPREIT • Distribution is expected to qualify as tax-free to Vornado shareholders and Vornado Realty L.P. unitholders for U.S. federal income tax purposes • JBG SMITH intends to elect to be treated as a REIT for U.S. federal income tax purposes

1. Distribution process subject to change prior to signing.



VORNADO

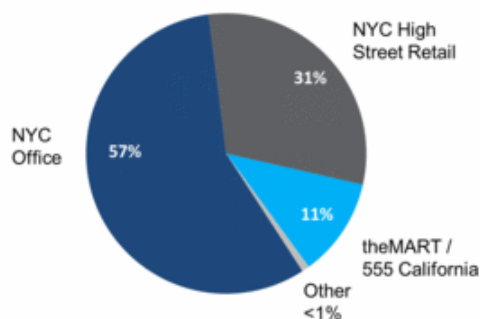
REALTY TRUST



Peerless NYC focused real estate company with premier office assets and the only publicly investable high street retail portfolio of scale

- Following the spin-off, Vornado will be a pure-play New York City real estate company, with an irreplaceable NYC portfolio generating 88% of the Company’s pro forma EBITDA¹
- Own 81 properties totaling 24.0MM SF² in New York City with blue chip tenant roster
- NYC office business includes trophy assets in best submarkets spanning 18.7MM SF² in 35 properties
- NYC high street retail is amongst the scarcest and most valuable real estate in the world – 31% of Vornado RemainCo EBITDA
 - Portfolio encompasses 3.1 MM SF¹ in 72 properties
 - Vornado owns some of the best assets on the best streets: 23% of upper Fifth Avenue, both sides of the Times Square Bowtie, and on Madison Avenue, SoHo, Union Square, and the 34th Street Penn Plaza district
 - Vornado is the only REIT with significant NYC high street retail holdings and the sole vehicle for public ownership
- In addition, Vornado will continue to own the prime franchise assets in San Francisco (555 California) and Chicago (theMART) - 11% of Vornado RemainCo EBITDA

Vornado RemainCo EBITDA¹



1. Refers to 3Q16 adjusted EBITDA
 2. Square footage ("SF") at share.

SELECT NEW YORK CITY OFFICE PROPERTIES

PLAZA DISTRICT



888 SEVENTH AVENUE



630 MADISON AVENUE



666 FIFTH AVENUE



645 FIFTH AVENUE



689 FIFTH AVENUE

GRAND CENTRAL

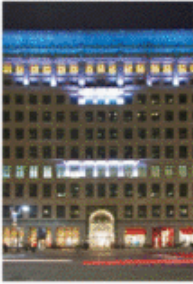


330 MADISON AVENUE



90 PARK AVENUE

PENN PLAZA DISTRICT



7 WEST 34TH STREET



11 PENN PLAZA



330 W 34TH STREET



ONE PENN / TWO PENN

MIDTOWN



751 LEXINGTON AVENUE



1290 AVENUE OF THE AMERICAS



909 THIRD AVENUE

MIDTOWN SOUTH



ONE PARK AVENUE



770 BROADWAY

PARK AVENUE



280 PARK AVENUE



350 PARK AVENUE

CHELSEA / MEATPACKING



41 NINTH AVENUE



512 WEST 22ND STREET



85 TENTH AVENUE

SELECT NEW YORK CITY STREET RETAIL PROPERTIES



628-650 MADISON AVENUE



585 MADISON AVENUE



650 MADISON AVENUE



759-771 MADISON AVENUE



677 MADISON AVENUE



666 FIFTH AVENUE



1535 & 1540 BROADWAY



640 FIFTH AVENUE



685 FIFTH AVENUE



510 FIFTH AVENUE



655 FIFTH AVENUE



607 FIFTH AVENUE



478-486 BROADWAY



435 SEVENTH AVENUE



theMART (Chicago) – transformed from a showroom building to the premier creative and tech hub in the Midwest, resulting in significant earnings growth and value creation with significant upside

3,665,000 SF – 98.2% Occupancy¹

Major Tenants:

- Motorola/Google
- ConAgra
- 1871/Matter
- Kellogg's
- Caterpillar
- Allstate
- Matter
- Yelp
- Paypal

1. As of 9/30/2016; square footage ("SF") shown at 100% share



555 California Street – the franchise office building in San Francisco and arguably the most iconic building on the west coast

1,800,000 SF – 90.3% Occupancy¹

Major Tenants:

- Bank of America
- Dodge & Cox
- Fenwick & West LLP
- Sidley Austin
- Microsoft
- Jones Day
- Goldman Sachs
- Kirkland & Ellis
- Morgan Stanley
- UBS AG
- Wells Fargo
- Regus
- Supercell
- AllianceBernstein
- McKinsey and Company
- Fulbright Jaworski

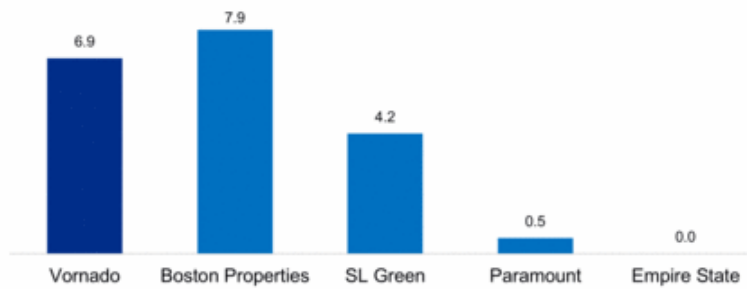
NYC Gross Asset Value (GAV) (\$ BN) ¹
(Per Green Street Advisors)



NYC Peer Gross Office Rents (\$ PSF) ²



NYC Trophy Office Buildings Square Feet (in MM's) of Buildings With Signed Office Leases >\$100 PSF Since 2013 ³



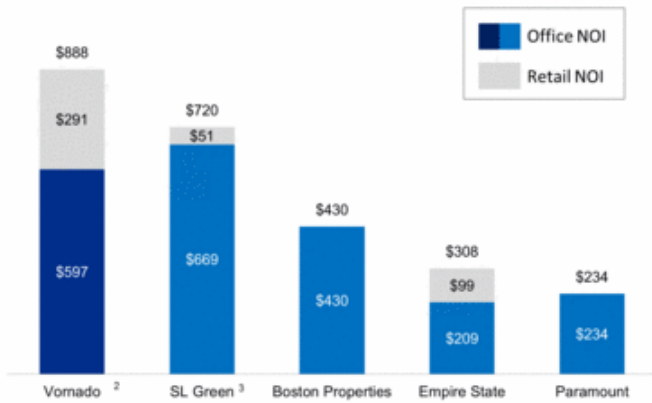
1. For all companies, represents information based upon analysis completed by Green Street Advisors, prepared for VNO (date August 2016), pro forma for SLG announced JV on 11 Madison; does not include structured finance / mezzanine loans.

2. Information for all companies, except VNO, per 2Q16 public filings (BXP and PGRE include retail); VNO figure as of 3Q16; square footage for all companies reflected at 100% share.

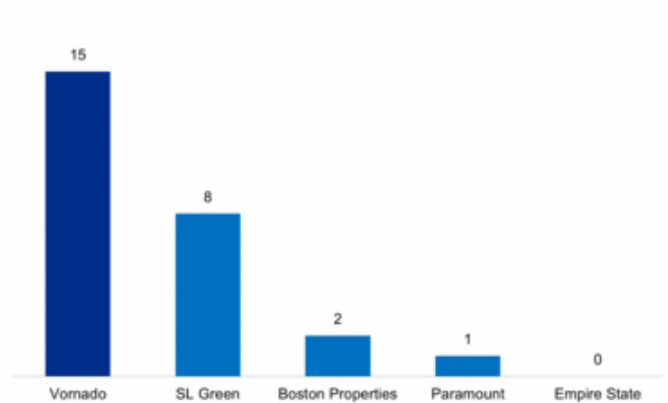
3. Data based on brokerage reports.

Vornado is the only REIT with significant NYC high street retail holdings and the sole vehicle for public ownership of these assets

NYC NOI (Office / Retail, \$ MM)¹



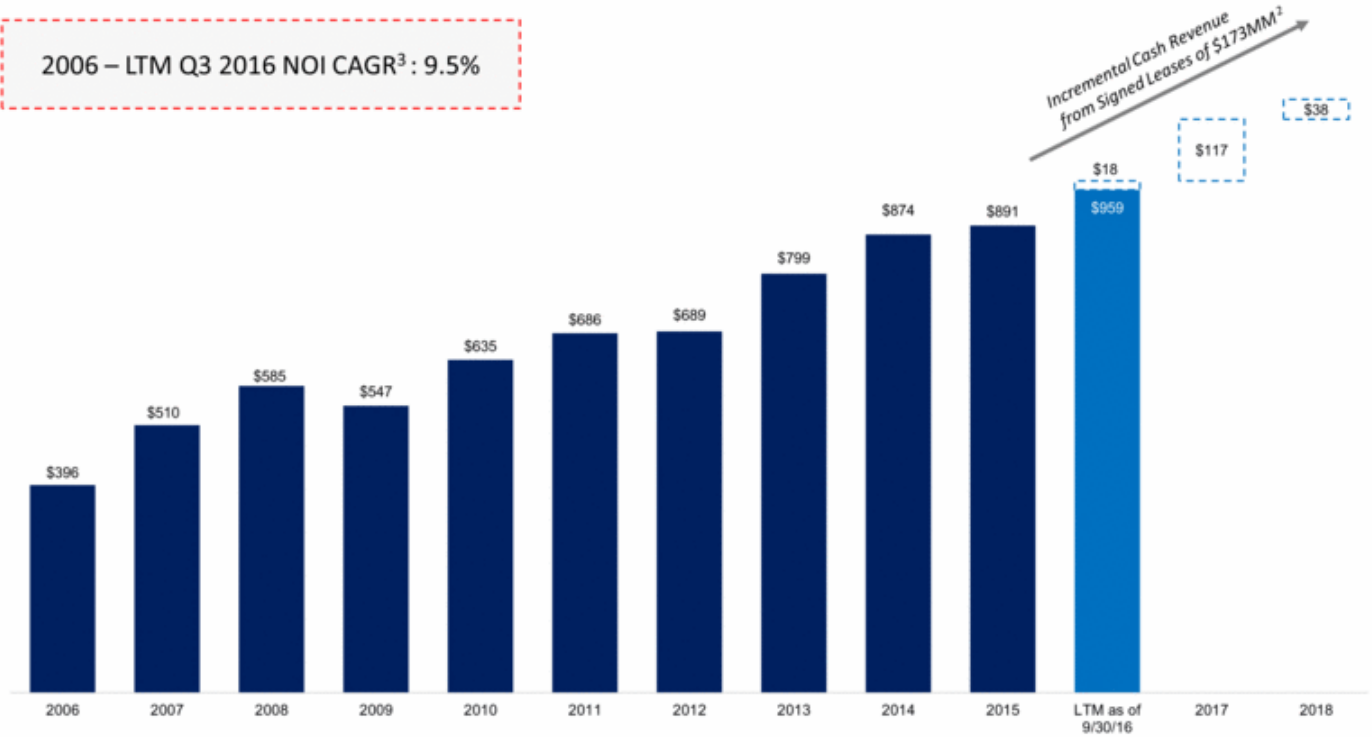
Number of Buildings with Signed Retail Leases >\$1,000 PSF Since 2013⁴



1. For all companies except Vornado, represents information based upon analysis by Green Street Advisors prepared for VNO (dated August 2016); residential NOI included in Office NOI; BXP and PGRE do not breakout office/retail NOI; represents 2Q16 NOI annualized for all companies except VNO.
 2. LTM as of 9/30/2016; office NOI includes residential NOI; GAAP reconciliation on page IV.
 3. Pro forma for SLG announced JV on 11 Madison
 4. VNO data based on brokerage reports.

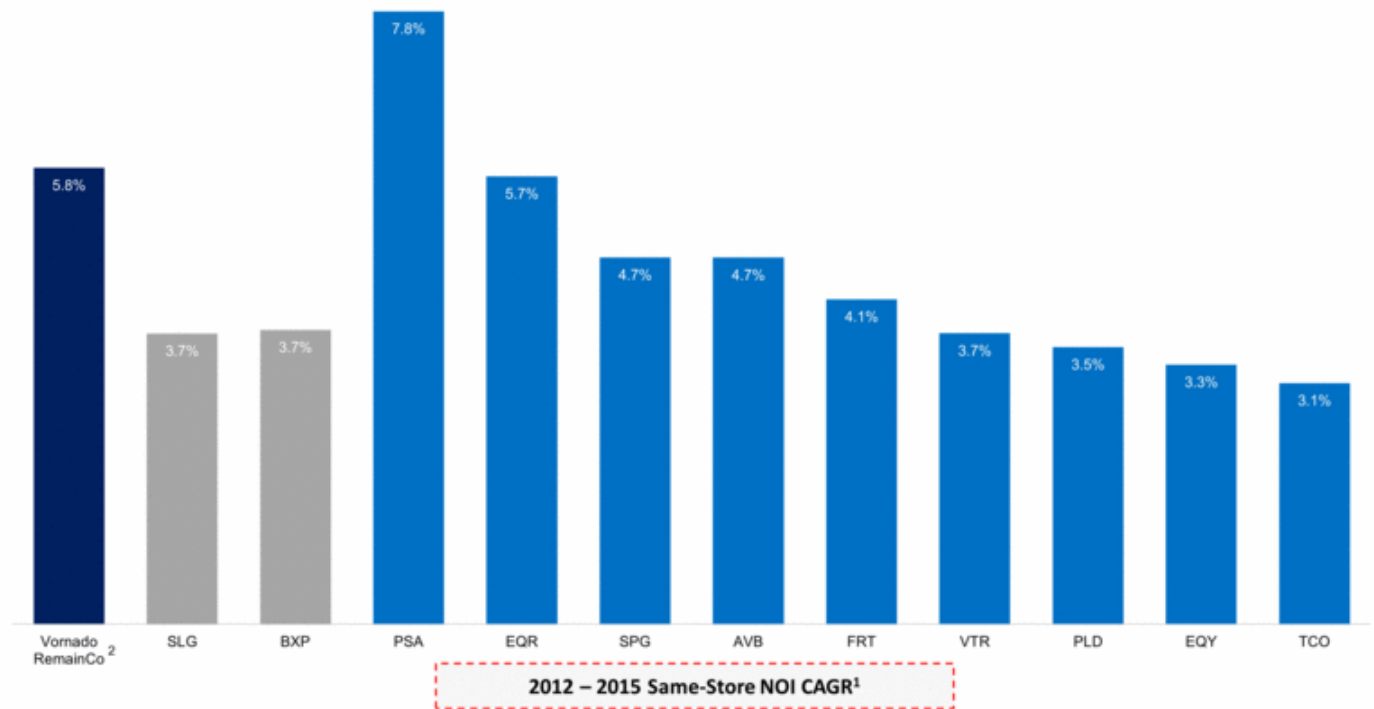
Vornado RemainCo 10-year Comparable NOI^{1,3}

2006 – LTM Q3 2016 NOI CAGR³: 9.5%



1. Income from continuing operations (excludes sold properties and includes acquisitions from year of purchase); includes corporate G&A and excludes investment income, Vornado Capital Partners, and Hotel Pennsylvania.
 2. Incremental cash revenue is derived solely from signed leases not yet commenced; \$173MM inclusive of Q4 2016 incremental cash revenue of \$17.6MM.
 3. NOI GAAP reconciliation on page III.; incremental revenue GAAP reconciliation on page IV.

Vornado RemainCo has delivered superior same-store NOI growth relative to blue-chip peers



1. Per reports published by Green Street Advisors for all companies except Vornado RemainCo
 2. NOI (post corporate G&A) includes New York office, New York retail, ALX, 555 California Street, and theMART.



JBG SMITH

PROPERTIES



Best-in-class real estate operator with long history of value creation through opportunistic acquisition and development in the DC metro area

JBG's Track Record of Performance (Since 1999)

\$3.6B
EQUITY RAISED¹



Over 235
INVESTMENTS¹

2.2x
EQUITY
MULTIPLE¹

THE JBG COMPANIES®

23.3%
GROSS
LEVERAGED IRR¹

Experience	55+ year history focused exclusively on the DC metro area
Expertise	Unrivaled access to acquisition opportunities and market-leading development and value creation platform
Leadership	Mixed-use strategy and Placemaking focus deliver what tenants of all product types demand
Scale	Since 1999, developed over 17.8MM SF and acquired over 19.3MM SF in the DC metro area
Commitment	Multigenerational management team with an average tenure of 20 years
Results	Proven track record of outsized risk-adjusted returns

Notes

Provided by JBG, for information purposes only

1. Because of the expected differences between JBG SMITH and the JBG funds, including that JBG SMITH will be a public REIT and will own a different portfolio of properties with different characteristics from those owned by the JBG funds during the periods presented, investors should not expect the performance projected to be achieved by the JBG funds with respect to the gross leveraged IRR and equity multiple presented to be indicative of the returns that will be achieved by JBG SMITH. Vornado has been informed by JBG that the projected gross leveraged IRR and equity multiple presented do not reflect the impact of carried interests or asset management fees, as applicable, paid to JBG or cash based general and administrative expenses we would expect the combined company to incur in the future in connection with the operation of certain of these assets. The gross leveraged IRR and equity multiple presented are calculated using historical and projected cash flows from realized and unrealized investments made by JBG Funds I-IX, using an average leverage level of approximately 60% LTV. All figures as of June 30, 2016

JBG’s senior management team will have significant ownership of ~6%¹ in JBG SMITH, providing meaningful alignment with shareholders

JBG SMITH Management and Inside Trustees

Name and JBG SMITH Title	Age	Years with JBG	Years Experience
Executive Management²			
W. Matt Kelly Chief Executive Officer & Trustee	44	12	18
Rob Stewart Executive Vice Chairman & Trustee	54	28	30
David Paul President & Chief Operating Officer	54	9	25
James Iker Chief Investment Officer	43	14	21
Brian Coulter Co-Chief Development Officer	57	29	31
Kai Reynolds Co-Chief Development Officer	46	13	20
Trustees			
Steven Roth Chairman of the Board	74	NA	51
Michael Glosserman Trustee	70	37	44
Mitchell Schear Trustee	58	NA	35



Notes

1. Includes the 21 owners of the contributed JBG Management Company
2. CFO is expected to be hired prior to closing

JBG SMITH will be the largest real estate operator focused exclusively on the Washington, DC market
We will specialize in high-quality, mixed-use (office, multifamily and retail) assets in urban infill locations that lie in the path of growth and that deliver superior long-term investment returns

JBG SMITH

PROPERTIES

Largest Pure-Play DC Metro Focused REIT

Premier Mixed-Use Assets Located in Metro-Served, Urban Infill Submarkets

Substantial Growth Through Near-Term Embedded Opportunities and Development Pipeline

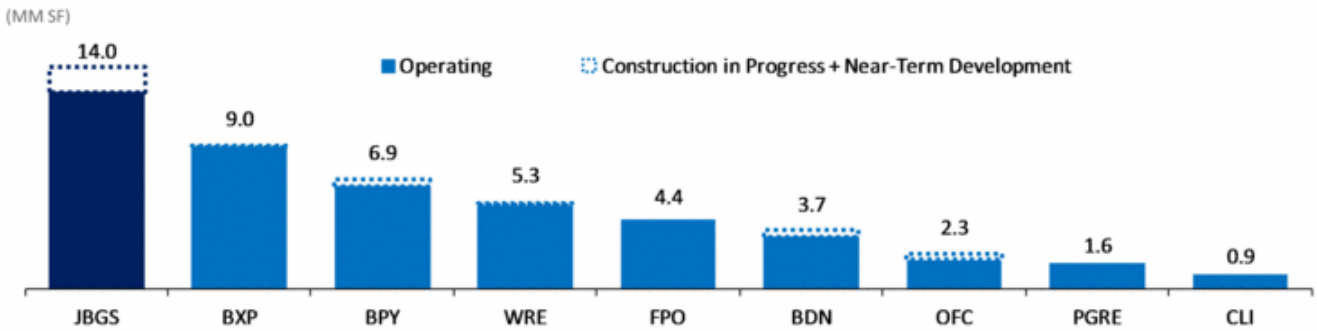
Proven Development and Placemaking Skills to Unlock Value in Large Scale Projects and Neighborhood Repositionings

Strong Balance Sheet and Efficient Capital Allocation Capabilities

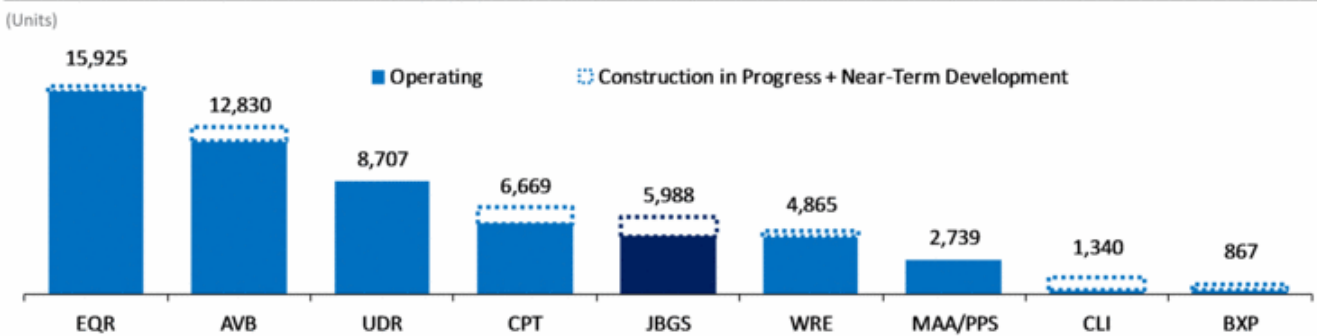
DC Metro Market Poised for Growth

The clear vehicle for real estate investment in the DC metro area

Public REITs with DC Metro Area Commercial Ownership¹



Public REITs with DC Metro Area Multifamily Ownership²



Notes

All figures include operating, construction in progress and near-term development pipeline commercial SF and units. DC metro area statistics based on the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area as defined by the U.S. Office of Management and Budget. Peer statistics based on and adjusted to reflect latest public disclosure, subject to availability and as appropriate

1. Commercial SF as reported per latest financial statements. JBGS SF includes pro rata share of office, retail and other as of 9/30/16

2. Multifamily units as reported per latest financial statements. JBGS units include pro rata share as of 9/30/16

Over 98% of the portfolio is Metro-served¹

Portfolio Summary²

Operating Assets

Assets	79
Commercial SF³ / % Leased	12.4MM / 89.3%
Multifamily Units / % Leased⁴	4,451 / 97.6%

Construction in Progress

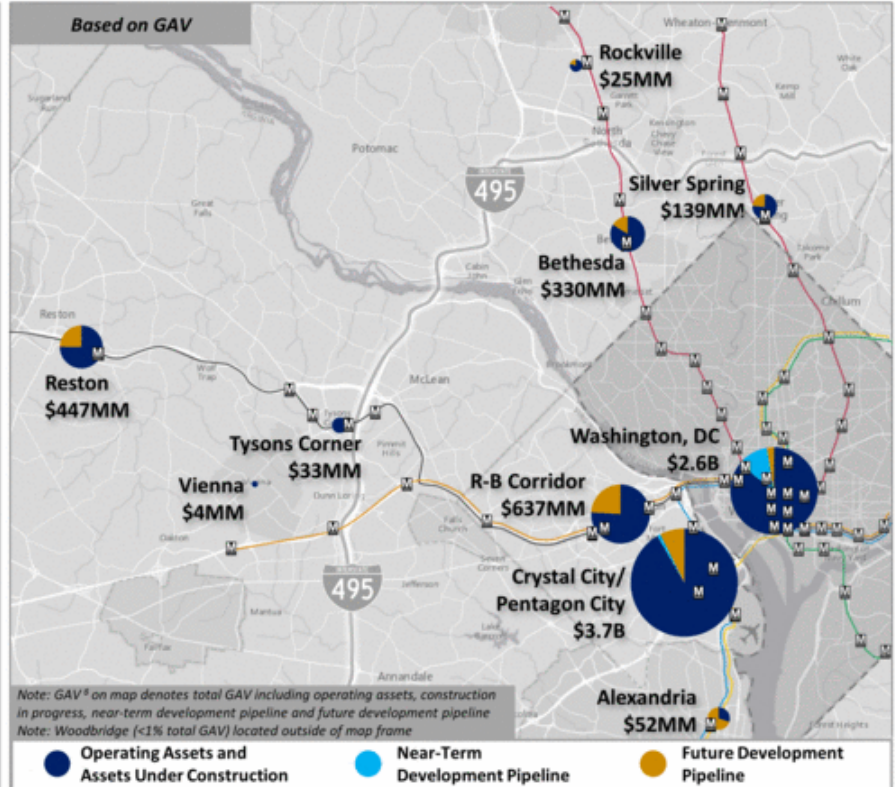
Assets	4
Commercial SF³	0.6MM
Est. Commercial Cost to Complete	\$211MM
Multifamily Units	291
Est. Multifamily Cost to Complete	\$65MM

Near-Term Development Pipeline

Assets	9
Commercial SF³	1.0MM
Est. Commercial Cost to Complete	\$467MM
Multifamily Units	1,246
Est. Multifamily Cost to Complete	\$462MM

Future Development Pipeline

Assets	50
Est. Potential Density (SF)⁵	17.6MM



Notes

- Metro-served is defined as within 0.5 miles of an existing or planned Metro station
- Metrics shown at pro rata share as of 9/30/2016
- Commercial SF at pro rata share includes office, retail and other assets
- Occupancy metrics exclude 7770 Norfolk, Atlantic Plumbing A, The Bartlett, Fort Totten and Galvan which are projects in lease-up
- Estimated Potential Density includes office, multifamily, retail and other assets
- Transaction value represents an estimate of fair market value and does not reflect GAAP accounting. Transaction value and resulting ownership percentages based on negotiations between Vornado and JBG management teams. Final transaction value and ownership percentages subject to change based upon additional capital fundings prior to closing and certain closing adjustments. Excludes cash and net working capital.

Existing operating portfolio of 79 assets has substantial near-term embedded growth opportunities

Operating portfolio contains significant embedded, internal growth from:

- Executed leases not commenced
- Burn-off of free rent on in-place leases
- Commercial contractual rent increases typically 2-3% per annum
- Lease-up to historical submarket occupancy levels on certain assets

Recently delivered high-quality, mixed-use assets provide meaningful near-term NOI growth



The Bartlett	
% Ownership	100%
Asset Type	Multifamily
Submarket	Pentagon City
Total Multifamily Units	699
% Leased (Multifamily)	64%
Total Retail SF	42K
% Leased (Retail)	100%

Atlantic Plumbing A	
% Ownership	64%
Asset Type	Multifamily
Submarket	DC - U Street/Shaw
Total Multifamily Units	310
% Leased (Multifamily)	85%
Total Retail SF	24K
% Leased (Retail)	100%

Fort Totten	
% Ownership	99%
Asset Type	Multifamily
Submarket	DC - Brookland/Pt Totten
Total Multifamily Units	345
% Leased (Multifamily)	94%
Total Retail SF	131K
% Leased (Retail)	99%

7770 Norfolk	
% Ownership	80%
Asset Type	Multifamily
Submarket	Bethesda CBD
Total Multifamily Units	200
% Leased (Multifamily)	60%
Total Retail SF	6K
% Leased (Retail)	100%

Notes
All figures as of 9/30/2016

Further NOI growth through the delivery of additional trophy mixed-use assets in key submarkets
All projects are fully capitalized



CEB Tower at Central Place

% Ownership	100%
Asset Type	Office
Submarket	Rosslyn
Office SF	524K
Retail SF	12K
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$183MM

- Directly adjacent to Rosslyn Metro station
- 65% pre-leased to CEB, Inc.
- Remaining vacancy on floors 21-28, with unobstructed views of DC skyline
- Expected to be one of the tallest buildings in the DC metro area
- 12K SF of ground-level retail and DC's first for-profit observation deck



1221 Van Street

% Ownership	100%
Asset Type	Multifamily
Submarket	DC - Ballpark (Southeast)
Office SF	--
Retail SF	24K
Total Multifamily Units	291
Est. Pro Rata Cost to Complete	\$65MM

- Located directly across from main gate of Nationals Park and two blocks from Navy Yard Metro station
- Prime retail location in fast growing, emerging submarket
- Direct views into Nationals Park from upper floors and rooftop amenity



RTC - West Retail

% Ownership	100%
Asset Type	Retail
Submarket	Reston Town Center
Office SF	--
Retail SF	40K
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$22MM

- Adjacent to Reston Town Center and planned Metro station
- 49% pre-leased and currently in active negotiations to pre-lease an additional 24%
- Central retail amenity enhances values and increases tenant demand for existing nearby office properties in the JBGS portfolio
- Addition of public spaces including parks, enhanced sidewalks and outdoor dining



4749 Bethesda Avenue Retail

% Ownership	100%
Asset Type	Retail
Submarket	Bethesda CBD
Office SF	--
Retail SF	17K ¹
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$7MM

- Adjacent to Bethesda Row and walkable to Bethesda Metro station and core of Bethesda office density
- 100% pre-leased to Dean & DeLuca²
- Adjacent and connected to 4747 Bethesda, a future JBGS office development asset

Notes

All figures as of 9/30/2016

1. Initial delivery of 14K SF of space 100% leased. Unleased portion of 4749 Bethesda Avenue Retail will be delivered as part of 4747 Bethesda Avenue
2. Excludes portion to be delivered with completion of 4747 Bethesda

Near-term development pipeline capitalizes on DC’s demand for high-quality multifamily and highly efficient, trophy office in Metro-served and amenity rich submarkets

- Pipeline consists of fully entitled and designed multifamily and trophy office with the majority located in Washington, DC proper
- Multifamily projects contain substantial ground floor retail carefully curated to create vibrant, activated street life and boost multifamily demand and rental rates
- Office projects will typically employ a strategy of pre-leasing to anchor tenants prior to commencement of construction to mitigate leasing risk

Near-Term Development Pipeline				
Asset	Submarket	Ownership	Total Units/SF	Est. Pro Rata Cost to Complete
Multifamily Projects:				
Atlantic Plumbing C – North	DC - U Street/Shaw	100.0%	161 Units	\$64MM
Atlantic Plumbing C – South	DC - U Street/Shaw	100.0%	95 Units	37MM
West Half II	DC - Ballpark (Southeast)	94.2%	188 Units	83MM
West Half III	DC - Ballpark (Southeast)	94.2%	250 Units	81MM
Mets 6	Pentagon City	100.0%	577 Units	197MM
Total Multifamily			1,271 Units	\$462MM
Office Projects:				
1900 N Street	DC - CBD	100.0%	271K SF	\$137MM
1700 M Street	DC - CBD	100.0%	336K SF	162MM
500 L'Enfant Plaza	DC - Southwest	49.0%	215K SF	39MM
4747 Bethesda Avenue	Bethesda CBD	100.0%	287K SF	129MM
Total Office			1,110K SF	\$467MM



Notes
All figures as of 9/30/2016

Future development opportunities to provide substantial long-term growth potential, to be pursued as market conditions warrant

Submarket	Total SF (000s)	Pro Rata Estimated Density		
		Office SF (000s)	Multifamily SF (000s)	Retail SF (000s)
Crystal City/Pentagon City	6,276	2,698	3,140	438
Reston	3,882	1,218	2,452	212
Washington, DC	3,202	1,490	1,497	215
Alexandria	1,432	1,115	268	49
Silver Spring	1,276	--	1,156	120
Rosslyn-Ballston Corridor	843	601	218	24
Bethesda	365	--	345	20
Other ¹	359	172	164	23
Total	17,634	7,294	9,240	1,100

Representative Projects



Notes

All figures as of 9/30/2016 and reflect pro rata share. Estimated SF reflects latest development plans and are subject to change based on revisions and zoning approvals
 1. Includes Rockville, Woodbridge and Tysons Corner

Access and scale consistent with best markets in Washington, DC
Needs a retail heart to unlock true potential

CRYSTAL CITY



Avg. Office Age: 33 Years
Avg. Multifamily Age: 19 Years

LOGAN/SHAW



Avg. Office Age: 36 Years
Avg. Multifamily Age: 40 Years

R - B CORRIDOR



Avg. Office Age: 29 Years
Avg. Multifamily Age: 27 Years

BETHESDA

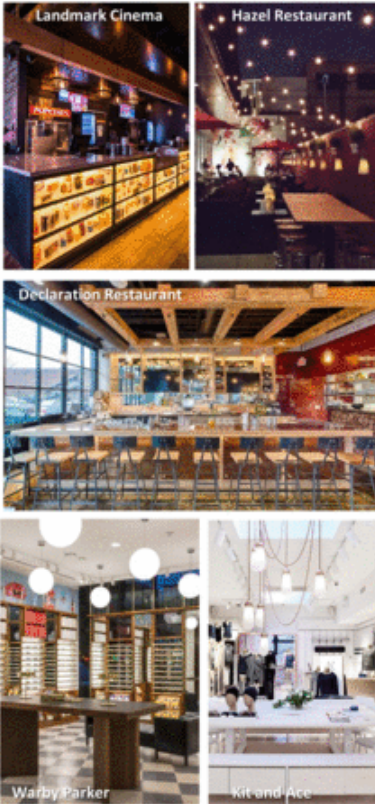


Avg. Office Age: 36 Years
Avg. Multifamily Age: 32 Years

Notes
Ages calculated for all existing buildings within CoStar submarket boundaries. Ages calculated for office > 40K SF, residential > 50 units

"PLACEMAKING"

METRO ACCESS. MULTIPLE ANCHORS. MIX OF USES.



- 1** 965 FLORIDA
428 UNITS (OWNED)
51,500 SF RETAIL (OWNED)
FUTURE DEVELOPMENT
- 2** ATLANTIC PLUMBING C
256 UNITS (OWNED)
19,474 SF RETAIL (OWNED)
NEAR-TERM DEVELOPMENT
- 3** ATLANTIC PLUMBING A
310 UNITS (OWNED)
19,109 SF RETAIL (OWNED)
DELIVERED
- 4** ATLANTIC PLUMBING B¹
62 CONDO UNITS (SOLD)
4,630 SF RETAIL (OWNED)
DELIVERED
- 5** THE SHAY & NORTH END
RETAIL
245 UNITS (SOLD)
27,380 SF RETAIL (OWNED)
DELIVERED

Notes
1. Retail square footage included with Atlantic Plumbing A in property disclosure

- Company will have substantial liquidity and a strong balance sheet to execute its business plan
- Expect to have a credit facility in place at closing
- Strategy is to utilize non-recourse, asset level financing to fund the development pipeline and maintain balance sheet flexibility
- Will strategically recycle capital from mature, lower growth assets and redeploy into higher growth, value-add opportunities and will selectively joint venture new developments

Well-Laddered Debt Maturity Profile (\$MM)¹



Notes
 1. Debt balances shown at pro rata share as of 6/30/2016 for Vornado and 3/31/2016 for JBG
 2. For floating rate loans, LIBOR is assumed to be 0.52%
 3. Weighted average maturity as of 9/30/2016

Economy and Employment¹

- September 2016 trailing twelve month employment gains of 85,200 jobs (seasonally adjusted) puts job growth at the highest level in a decade and significantly above the historical average of approximately 40,000 jobs
- The most significant job growth came in the Professional and Business Services sector
- Unemployment rate of 3.9% as of August 2016, significantly below national average of 4.9% and 50 basis points down over the past twelve months
- Metro area GDP growth of 3.5% is at its highest level in five years

Population Growth and Demographics

- The broader DC metro region added more than 5,300 residents per month during 2015 and the District itself added more than 1,000 residents per month, a rate that has been consistent for four out of the past five years
- From 2010-2015, the region grew by more than 7%, adding over 430K new residents
- The Washington metro area boasted the highest median household income in the country at \$93,294 vs. \$55,775 for the broader United States
- Education levels are also higher in the DC metro region than anywhere else in the country, with 49.3% of residents holding a college degree vs. a U.S. average of 30.1%

Real Estate

- Strong population and job growth rates drove outsized apartment rent growth and absorption, with effective rents growing by 3.8% over the trailing twelve months from September 30, 2016
- Rent "share of wallet" is lower in the DC metro region than any other gateway market at 21.1% compared to 42.8% in San Francisco and 56.5% in New York
- Office deliveries have been limited from a historical perspective: the market saw an annual average of 2MM SF for the past five years compared to almost 6MM from 1996-2010
- Average office absorption for past five years (2011-Q3 2016) is -247K SF vs. 20 year average (1996-Q3 2016) of 3.3MM SF

Notes

Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, Headlight Data, CoStar, Berkadia Research
 1. Gross employment statistics as of September 2016; Unemployment rate as of August 2016 due to comparable data availability

APPENDIX

Representative Multifamily Projects



Atlantic Plumbing C – North / South	
% Ownership	100%
Asset Type	Multifamily
Submarket	DC - U Street/Shaw
Office SF	--
Retail SF	19K
Total Multifamily Units	256
Est. Pro Rata Cost to Complete	\$101MM
Est. Start	Q2 2017

- Located in North End Shaw, within a five minute walk to U Street Metro and adjacent to JBGs' Atlantic Plumbing A
- Third phase in JBGs' mixed-use Atlantic Plumbing project which, at completion, will boast 628 multifamily units and 43,200 SF of retail
- Two boutique, Morris Adjmi designed buildings separated by a private street with 19K SF of retail
- One of DC's fastest growing submarkets anchored by the 9:30 Club, DC's premier live music venue, and a recently opened Landmark Theater



West Half II / III	
% Ownership	94%
Asset Type	Multifamily
Submarket	DC - Ballpark (Southeast)
Office SF	--
Retail SF	57K
Total Multifamily Units	438
Est. Pro Rata Cost to Complete	\$164MM
Est. Start	Q3 2017

- Located directly across from main gate of Nationals Park and one block from Navy Yard Metro station
- Prime retail location in fast growing, emerging submarket that benefits from Nationals game day foot traffic
- Designed to maximize ballpark view (with resulting rent premiums)



Mets 6	
% Ownership	100%
Asset Type	Multifamily
Submarket	Pentagon City
Office SF	--
Retail SF	10K
Total Multifamily Units	577
Est. Pro Rata Cost to Complete	\$197MM
Est. Start	Pending Market Conditions

- Located across the street from The Bartlett, with Whole Foods in place
- Walking distance to the Pentagon City Metro station and Fashion Center Mall
- 10K SF of street retail
- Plans recently approved by Arlington County

Notes
All figures as of 9/30/2016

Representative Office Projects



1900 N Street	
% Ownership	100%
Asset Type	Office
Submarket	DC - CBD
Office SF	259K
Retail SF	13K
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$137MM
Est. Start	Dependent on Pre-leasing

- Located one block south of Dupont Circle in heart of DC's Golden Triangle business district
- Efficient floorplate provides four sides of glass and frontage on three streets
- Iconic design by KPF provides dramatic 30-foot high column-free lobby experience



1700 M Street	
% Ownership	100%
Asset Type	Office
Submarket	DC - CBD
Office SF	336K
Retail SF	--
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$162MM
Est. Start	Dependent on Pre-leasing

- Located in the heart of the Washington, DC Central Business District at the corner of 17th and M Streets
- LEED Gold status anticipated
- Four sides of glass and double-height corner lobby



500 L'Enfant Plaza	
% Ownership	49%
Asset Type	Office
Submarket	DC - Southwest
Office SF	215K
Retail SF	--
Total Multifamily Units	--
Est. Pro Rata Cost to Complete	\$39MM
Est. Start	Dependent on Pre-leasing

- Newest building at L'Enfant Plaza, sitting atop five of DC's six Metro lines
- Walkable to the National Mall and adjacent to new Spy Museum
- Proximity to the highest concentration of federal government tenancy in the city
- Designed by ZGF Architects and offers unobstructed views of the Potomac River

Notes
All figures as of 9/30/2016

Asset	# of Assets	Type	City	Submarket	Ownership	Total SF	Total Units	Pro Rata SF	% Leased ¹
Office									
Universal Buildings (1825-1875 Connecticut Ave NW)	2	Office	Washington, DC	DC - Uptown	100.0%	686,278	—	686,278	99.0%
Courthouse Plaza 1 and 2 (3100 Clarendon Blvd)	2	Office	Arlington, VA	Clarendon/Courthouse	100.0%	638,663	—	638,663	93.3%
1550 Crystal Drive (Square 2)	1	Office	Arlington, VA	Crystal City	100.0%	512,959	—	512,959	83.6%
2345 Crystal Drive (Park 4)	1	Office	Arlington, VA	Crystal City	100.0%	507,345	—	507,345	93.3%
2121 Crystal Drive (Park 2)	1	Office	Arlington, VA	Crystal City	100.0%	505,912	—	505,912	99.9%
RTC - West	1	Office	Reston, VA	Reston	100.0%	495,348	—	495,348	81.4%
2231 Crystal Drive (Park 3)	1	Office	Arlington, VA	Crystal City	100.0%	464,703	—	464,703	85.7%
2011 Crystal Drive (Park 1)	1	Office	Arlington, VA	Crystal City	100.0%	444,751	—	444,751	84.5%
Commerce Executive	3	Office	Reston, VA	Reston	100.0%	407,219	—	407,219	93.3%
2451 Crystal Drive (Park 5)	1	Office	Arlington, VA	Crystal City	100.0%	402,313	—	402,313	92.2%
1235 S. Clark Street (Gateway 1)	1	Office	Arlington, VA	Crystal City	100.0%	383,307	—	383,307	82.4%
2101 L Street, NW	1	Office	Washington, DC	DC - CBD	100.0%	380,182	—	380,182	99.0%
241 18th Street S. (Square 4)	1	Office	Arlington, VA	Crystal City	100.0%	360,171	—	360,171	72.5%
251 18th Street S. (Square 5)	1	Office	Arlington, VA	Crystal City	100.0%	346,476	—	346,476	99.7%
The Warner (1299 Pennsylvania Avenue NW)	1	Office	Washington, DC	DC - East End	55.0%	341,746	—	341,746	91.1%
1215 S. Clark Street (Gateway 3)	1	Office	Arlington, VA	Crystal City	100.0%	340,985	—	340,985	99.1%
201 12th Street S. (Gateway North)	1	Office	Arlington, VA	Crystal City	100.0%	335,173	—	335,173	92.6%
800 North Glebe Road	1	Office	Arlington, VA	Bullston	100.0%	306,456	—	306,456	99.1%
1225 S. Clark Street (Gateway 2)	1	Office	Arlington, VA	Crystal City	100.0%	284,231	—	284,231	45.9%
2200 Crystal Drive (Plaza 4)	1	Office	Arlington, VA	Crystal City	100.0%	279,897	—	279,897	71.0%
1901 South Bell Street (Mall 4)	1	Office	Arlington, VA	Crystal City	100.0%	276,954	—	276,954	100.0%
Artery Plaza	1	Office	Bethesda, MD	Bethesda CBD	100.0%	272,602	—	272,602	91.3%
2100 Crystal Drive (Plaza 3)	1	Office	Arlington, VA	Crystal City	100.0%	249,281	—	249,281	100.0%
Bowen Building (875 15th Street NW)	1	Office	Washington, DC	DC - East End	100.0%	231,390	—	231,390	84.5%
L'Enfant Plaza Office - East	1	Office	Washington, DC	DC - Southwest	49.0%	215,040	—	215,040	85.7%
One Democracy Plaza	1	Office	Bethesda, MD	Bethesda-Rock Spring	100.0%	213,988	—	213,988	97.6%
1730 M Street, NW	1	Office	Washington, DC	DC - CBD	100.0%	205,304	—	205,304	92.3%
200 12th Street S. (Gateway 4)	1	Office	Arlington, VA	Crystal City	100.0%	202,724	—	202,724	90.5%
2001 Jefferson Davis Highway (Plaza 1)	1	Office	Arlington, VA	Crystal City	100.0%	162,384	—	162,384	55.9%
1233 20th Street	1	Office	Washington, DC	DC - CBD	100.0%	154,289	—	154,289	87.0%
L'Enfant Plaza Office - North	1	Office	Washington, DC	DC - Southwest	49.0%	150,019	—	150,019	76.9%
Summit II	1	Office	Reston, VA	Reston	100.0%	145,595	—	145,595	95.5%
Summit I	1	Office	Reston, VA	Reston	100.0%	144,652	—	144,652	100.0%
Rosslyn Plaza North (1777 N Kent St)	1	Office	Arlington, VA	Rosslyn	50.4%	140,229	—	140,229	54.7%
Executive Tower (1399 New York Avenue)	1	Office	Washington, DC	DC - East End	100.0%	128,866	—	128,866	92.9%
1101 17th Street, NW	1	Office	Washington, DC	DC - CBD	55.0%	118,531	—	118,531	99.5%
Fairfax Square	3	Office	Vienna, VA	Tysons Corner	20.0%	112,158	—	112,158	66.2%
1600 K Street	1	Office	Washington, DC	DC - CBD	100.0%	84,142	—	84,142	94.7%
Rosslyn Gateway - North	1	Office	Arlington, VA	Rosslyn	18.0%	84,831	—	26,070	94.0%
Pickett Industrial Park	1	Office	Alexandria, VA	Eisenhower Avenue	10.0%	24,615	—	24,615	100.0%
The Foundry	1	Office	Washington, DC	DC - Georgetown	9.9%	23,948	—	23,213	86.1%
Investment Building (1501 K Street NW)	1	Office	Washington, DC	DC - East End	5.0%	19,980	—	19,980	91.5%
Rosslyn Gateway - South	1	Office	Arlington, VA	Rosslyn	18.0%	19,030	—	19,030	92.5%
11333 Woodlawn Drive	1	Office	Rockville, MD	Rockville Pike Corridor	18.0%	11,457	—	11,457	98.4%
Total/Weighted Avg. Office	50					14,170,361	—	11,756,627	88.9%

Note

Table shown as of 9/30/2016

1. % Leased calculated on a SF basis for commercial assets and on a unit basis for multifamily assets. Retail SF embedded in multifamily assets is excluded

JBG SMITH OPERATING ASSETS (CONT'D.)

Asset	# of Assets	Type	City	Submarket	Ownership	Total SF	Total Units	Pro Rata SF	Pro Rata Units	% Leased ¹
Multifamily										
Riverhouse Apartments	3	Multifamily	Arlington, VA	Pentagon City	100.0%	1,319,454	1,670	1,319,454	1,670	97.9%
WestEnd 25	1	Multifamily	Washington, DC	DC - West End	100.0%	273,264	283	273,264	283	98.9%
220 20th Street	1	Multifamily	Arlington, VA	Crystal City	100.0%	269,082	265	269,082	265	97.4%
Falkland Chase - South & West	1	Multifamily	Silver Spring, MD	Downtown Silver Spring	100.0%	222,949	268	222,949	268	95.1%
2221 South Clark Street	1	Multifamily	Arlington, VA	Crystal City	100.0%	171,080	216	171,080	216	100.0%
Falkland Chase - North	1	Multifamily	Silver Spring, MD	Downtown Silver Spring	100.0%	119,443	182	119,443	182	94.5%
Rosslyn Plaza	1	Multifamily	Arlington, VA	Rosslyn	43.7%	125,450	96	54,809	42	97.5%
The Alpine	1	Multifamily	Rockville, MD	Rockville Pike Corridor	18.0%	288,806	279	51,985	50	97.5%
Fairway Apartments	1	Multifamily	Reston, VA	Reston	10.0%	371,204	346	37,120	35	96.0%
The Gale Eckington	1	Multifamily	Washington, DC	DC - H Street/NoMa	5.0%	466,852	603	23,343	30	93.7%
The Terano	1	Multifamily	Rockville, MD	Rockville Pike Corridor	1.8%	200,433	234	3,607	4	91.0%
Total/Weighted Avg. Multifamily	13					1,827,997	4,422	2,546,117	3,045	97.4%
Recently Delivered Multifamily										
The Barrett	1	Multifamily	Arlington, VA	Pentagon City	100.0%	619,372	699	619,372	699	63.9%
Fort Totten Square	1	Multifamily	Washington, DC	DC - Brookland/Ft Totten	99.4%	254,292	345	252,690	343	93.9%
7770 Norfolk	1	Multifamily	Bethesda, MD	Bethesda CBD	79.9%	208,678	200	166,793	160	60.0%
Atlantic Plumbing A	1	Multifamily	Washington, DC	DC - U Street/Shaw	64.0%	245,519	310	157,132	198	85.5%
Galvan	1	Multifamily	Rockville, MD	Rockville	1.8%	295,472	356	5,318	6	76.3%
Total/Weighted Avg. Recently Delivered Multifamily	5					1,423,333	1,910	1,201,306	1,406	73.9%
Retail and Other										
Crystal City Marriott Hotel (143 keys)	1	Hotel	Arlington, VA	Crystal City	100.0%	266,000	-	266,000	-	100.0%
Fort Totten Square Retail	1	Retail	Washington, DC	DC - Brookland/Ft Totten	99.4%	130,664	-	129,841	-	98.7%
Crystal City Shops at 2100	1	Retail	Arlington, VA	Crystal City	100.0%	79,755	-	79,755	-	97.0%
Crystal Drive Retail	1	Retail	Arlington, VA	Crystal City	100.0%	56,965	-	56,965	-	100.0%
L'Infant Plaza Retail - West	1	Retail	Washington, DC	DC - Southwest	49.0%	116,242	-	58,953	-	70.0%
Stonebridge at Potomac Town Center - Phase I	1	Retail	Woodbridge, VA	Prince William County	10.0%	482,619	-	48,262	-	93.1%
North End Retail I	1	Retail	Washington, DC	DC - U Street/Shaw	100.0%	27,380	-	27,380	-	100.0%
L'Infant Plaza Retail - East	1	Retail	Washington, DC	DC - Southwest	49.0%	33,736	-	16,529	-	98.7%
Vienna Retail	2	Retail	Vienna, VA	Vienna	100.0%	8,547	-	8,547	-	100.0%
Galvan Retail	1	Retail	Rockville, MD	Rockville	1.8%	95,630	-	1,721	-	90.1%
Total/Weighted Avg. Retail and Other	11					1,297,538	-	691,953	-	96.5%
Total/Weighted Avg.	79					20,919,228	6,332	16,196,022	4,451	89.4%

Note

Table shown as of 9/30/2016

1. % Leased calculated on a SF basis for commercial assets and on a unit basis for multifamily assets. Retail SF embedded in multifamily assets is excluded

JBG SMITH CONSTRUCTION IN PROGRESS AND NEAR-TERM DEVELOPMENT ASSETS

Asset	# of Assets	Type	City	Submarket	Ownership	Total SF	Total Units	Pro Rata SF	Pro Rata Units	% Pre-leased ¹	Pro Rata Cost to Complete (\$MM)
Construction											
CBB Tower at Central Place	1	Office	Arlington, VA	Rosslyn	100.0%	536,710	—	536,710	—	65.4%	183
1221 Van Street	1	Multifamily	Washington, DC	DC - Ballpark (Southwest)	100.0%	226,546	291	226,546	291	—	65
83C - West Retail	1	Retail	Roxton, VA	Roxton Town Center	100.0%	40,025	—	40,025	—	49.1%	22
4749 Bethesda Avenue Retail	1	Retail	Bethesda, MD	Bethesda CBD	100.0%	17,317	—	17,317	—	78.7%	7
Total/Weighted Avg. Construction	4					820,598	291	820,598	291	46.8%	577
Near-Term Development Pipeline											
Mets G	1	Multifamily	Arlington, VA	Pentagon City	100.0%	430,000	577	430,000	577	—	197
1700 M Street	1	Office	Washington, DC	DC - CBD	100.0%	336,000	—	336,000	—	—	162
4747 Bethesda Avenue	1	Office	Bethesda, MD	Bethesda CBD	100.0%	287,457	—	287,457	—	—	129
1900 N Street	1	Office	Washington, DC	DC - CBD	100.0%	271,433	—	271,433	—	—	137
West Half III	1	Multifamily	Washington, DC	DC - Ballpark (Southwest)	94.2%	209,898	250	197,828	236	—	81
West Half II	1	Multifamily	Washington, DC	DC - Ballpark (Southwest)	94.2%	172,502	188	162,583	177	—	83
Atlantic Plumbing C - North	1	Multifamily	Washington, DC	DC - U Street/Shaw	100.0%	145,605	161	145,605	161	—	64
500 L'Enfant Plaza	1	Office	Washington, DC	DC - Southwest	49.0%	215,000	—	105,340	—	—	39
Atlantic Plumbing C - South	1	Multifamily	Washington, DC	DC - U Street/Shaw	100.0%	79,926	95	79,926	95	—	37
Total/Weighted Avg. Near-Term Development Pipeline	9					2,147,821	1,271	2,016,172	1,246	—	928
Total/Weighted Avg. Construction & Near-Term Development Pipeline	13					2,968,419	1,562	2,836,770	1,547	13.5%	\$1,205

Note

Table shown as of 9/30/2016

1. % Pre-leased calculated on a SF basis for commercial assets and on a unit basis for multifamily assets. Retail SF embedded in multifamily assets is excluded
2. Initial delivery of 14K SF of space 100% leased. Unleased portion of 4749 Bethesda Avenue Retail will be delivered as part of 4747 Bethesda Avenue

JBG SMITH FUTURE DEVELOPMENT ASSETS

Asset	# of Assets	City	Submarket	Ownership	Total Est. Potential Density	Pro Rata Est. Potential Density
Future Development Pipeline						
PenPlace	1	Arlington, VA	Pentagon City	100.0%	1,982,000	1,982,000
RTC - West Land	1	Reston, VA	Reston	100.0%	1,350,000	1,350,000
Falkland Chase - North Land	1	Silver Spring, MD	Downtown Silver Spring	100.0%	1,276,000	1,276,000
Gallaudet	1	Washington, DC	DC - NoMa	100.0%	1,224,000	1,224,000
Commerce Metro Land	1	Reston, VA	Reston	100.0%	826,000	826,000
Potomac Yard Land Bay G	1	Alexandria, VA	Potomac Yard	98.0%	823,000	806,540
RiverHouse	1	Arlington, VA	Pentagon City	100.0%	772,492	772,492
1900 Crystal	1	Arlington, VA	Crystal City	100.0%	707,000	707,000
Summit I & II Land	1	Reston, VA	Reston	100.0%	700,000	700,000
223 23rd Street	1	Arlington, VA	Crystal City	100.0%	641,000	641,000
Hoffman Town Center	1	Alexandria, VA	Alexandria	100.0%	625,000	625,000
Square 649	1	Washington, DC	DC - Southwest	100.0%	605,000	605,000
Wiehle Avenue Development Parcel	1	Reston, VA	Reston	100.0%	498,500	498,500
1831 Wiehle Avenue Land	1	Reston, VA	Reston	100.0%	455,000	455,000
Mall 1	1	Arlington, VA	Crystal City	100.0%	445,000	445,000
Mets 8	1	Arlington, VA	Pentagon City	100.0%	376,000	376,000
7900 Wisconsin	1	Bethesda, MD	Bethesda	100.0%	365,000	365,000
Airport I Infill	1	Arlington, VA	Crystal City	100.0%	315,000	315,000
965 Florida Avenue	1	Washington, DC	DC - U Street/Shaw	70.0%	402,500	281,750
Square Block Retail	1	Arlington, VA	Crystal City	100.0%	277,000	277,000
1770 Crystal Dr	1	Arlington, VA	Crystal City	100.0%	269,000	269,000
Rosslyn Central	1	Arlington, VA	Rosslyn	43.7%	604,037	263,964
Mets 7	1	Arlington, VA	Pentagon City	100.0%	260,000	260,000
Rosslyn Office I	1	Arlington, VA	Rosslyn	43.7%	594,719	259,892
Capitol Point - North Option	1	Washington, DC	DC - NoMa	59.0%	439,000	259,010
DCDF - 801 17th Street, NE	1	Washington, DC	DC - H Street/NoMa	100.0%	242,500	242,500
Capitol Point - North	1	Washington, DC	DC - NoMa	59.0%	409,000	241,310
Gateway North Resi	1	Arlington, VA	Crystal City	100.0%	208,197	208,197
L'Enfant Plaza Office - Center	1	Washington, DC	DC - Southwest	49.0%	350,000	171,483
NoBe II Land	1	Rockville, MD	Rockville Pike Corridor	18.0%	672,500	121,050
Rosslyn Resi	1	Arlington, VA	Rosslyn	43.7%	252,556	110,367
Bethesda North Marriott Land	1	Rockville, MD	Rockville Pike Corridor	18.0%	548,500	98,730
Rosslyn Gateway - South Land	1	Rosslyn, VA	Rosslyn	18.0%	498,500	89,730
1250 1st Street	1	Washington, DC	DC - NoMa	30.0%	251,000	75,300
Stonebridge Land	1	Woodbridge, VA	Prince William County	10.0%	737,500	73,750
Rosslyn Gateway - North Land	1	Rosslyn, VA	Rosslyn	18.0%	311,000	55,980
Fairway Land	1	Reston, VA	Reston	10.0%	521,500	52,150
Courthouse Metro Land	1	Arlington, VA	Clarendon/Courthouse	18.0%	286,500	51,570
50 Patterson Street	1	Washington, DC	DC - NoMa	30.0%	161,500	48,450
Fairfax Square Density	1	Vienna, VA	Tysons Corner	20.0%	200,000	40,000
51 N Street	1	Washington, DC	DC - NoMa	30.0%	120,500	36,150
2121 Retail	1	Arlington, VA	Crystal City	100.0%	23,000	23,000
5615 Fishers Drive	1	Rockville, MD	Rockville Pike Corridor	18.0%	106,500	19,170
Waterfront Station	1	Washington, DC	DC - Southwest	2.5%	680,000	17,000
Courthouse Metro Land - Option	1	Arlington, VA	Clarendon/Courthouse	18.0%	62,500	11,250
Stonebridge at Potomac Town Center - Phase II	1	Woodbridge, VA	Prince William County	10.0%	51,500	5,150
12511 Parklawn Drive	1	Rockville, MD	Rockville Pike Corridor	18.0%	6,500	1,170
Twinbrook	1	Rockville, MD	Rockville Pike Corridor	18.0%	--	--
Woodglen	1	Rockville, MD	Rockville Pike Corridor	18.0%	--	--
Potomac Yard Land Bay F	1	Alexandria, VA	Potomac Yard	33.3%	--	--
Future Development Pipeline	50				23,539,500	17,633,605

Note

Table shown as of 9/30/2016. Estimated SF reflects latest development plans and are subject to change based on revisions and zoning approvals