

Vornado Acquires a 58.75% Interest in 1,328 Residential Units in Tribeca

Company Release - 12/21/2012

PARAMUS, N.J.--(BUSINESS WIRE)-- VORNADO REALTY TRUST (NYSE:VNO) announced today that it has acquired a 58.75% interest in Independence Plaza, a 1,328 unit residential complex in the Tribeca submarket of Manhattan which has 54,500 square feet of retail space and 550 parking spaces.

As a first step toward this transaction, in 2011, Vornado acquired a 51% interest in the subordinated debt of Independence Plaza for \$45 million and a warrant to purchase 25% of the equity for \$1 million. The current transaction values the property at \$844.8 million; the property is currently encumbered by a \$329.2 million mortgage. Vornado acquired its 58.75% interest in the property as follows: (i) buying one of the equity partners 33.75% interest for \$160 million, (ii) exercising its warrant for 25%, and (iii) contributing the appreciated value of its interest in the subordinated debt as preferred equity.

As a result of contributing the debt for preferred equity and exercising its warrant, Vornado recognized a \$100 million net gain for financial statement purposes in the fourth quarter.

Vornado and Stellar Management, the other equity partner, expect to refinance the mortgage in the first quarter of 2013, substantially decreasing their cash investment.

Vornado manages the retail space at the property and Stellar Management manages the residential.

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

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the timing of and costs

associated with property improvements, financing commitments and general competitive factors.

Vornado Realty Trust

Joseph Macnow, 201-587-1000

Source: Vornado Realty Trust