

Vornado Announces Public Offering of 2.85% Convertible Senior Debentures

Company Release - 3/21/2007

PARAMUS, N.J.--(BUSINESS WIRE)--

Vornado Realty Trust (NYSE:VNO) today announced that it has agreed to sell \$1.4 billion aggregate principal amount of 2.85% convertible senior debentures due 2027 pursuant to an effective registration statement. The aggregate net proceeds from this offering, after underwriters' discounts and expenses, are estimated to be approximately \$1.37 billion. J.P. Morgan, Citigroup Global Markets, Deutsche Bank, and Lehman Brothers are serving as the joint book-running managers for this offering and have a 30-day option to purchase up to an additional \$210 million of debentures to cover any over-allotments.

The initial conversion price represents a premium of 30% to today's closing price for Vornado's common shares.

The debentures will be redeemable at Vornado Realty Trust's option beginning in 2012 for the principal amount plus accrued and unpaid interest. Holders of the debentures will have the right to require the issuer to repurchase their debentures in 2012, 2017, and 2022 and in the event of a change in control. The payment of these debentures will be guaranteed by Vornado Realty L.P., the operating partnership through which Vornado Realty Trust conducts its business.

The net proceeds from the offering will be used for working capital and other corporate purposes.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission.

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 transactions described above.

Source: Vornado Realty Trust

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