

Vornado Completes Transfer of Springfield Town Center for \$465 Million

Company Release - 3/31/2015

PARAMUS, N.J.--(BUSINESS WIRE)-- VORNADO REALTY TRUST (NYSE:VNO) announced today that it has completed the transfer of the redeveloped Springfield Town Center, located in Springfield, Fairfax County, Virginia, to Pennsylvania Real Estate Investment Trust (NYSE:PEI) ("PREIT") in exchange for \$465 million; comprised of \$340 million of cash and 6,250,000 PREIT operating partnership units, granted at \$20 per unit. \$19 million of tenant improvements and allowances Vornado was responsible for has been treated as a closing adjustment.

The exchange will result in a financial statement gain of approximately \$7.1 million in the first quarter of 2015. For income tax purposes, this transaction will be treated as a tax-free exchange. Vornado's 8.07% ownership interest in PREIT will be accounted for under the equity method.

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.

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Source: VORNADO REALTY TRUST