

Vornado to Acquire St. Regis Fifth Avenue Retail

Company Release - 7/9/2014

PARAMUS, N.J.--(BUSINESS WIRE)-- VORNADO REALTY TRUST (NYSE:VNO), in partnership with Crown Acquisitions ("Crown"), announced today that they have entered into an agreement to acquire the retail condominium of the St. Regis Hotel and the adjacent retail townhouse. The property has 100 feet of frontage on Fifth Avenue on the Southeast corner of 55th Street, in the heart of the area of Fifth Avenue favored by the world's luxury retailers. Vornado also owns 689 Fifth Avenue on the same block.

The property is leased to the Gucci division of Kering (17,100 square feet) for its Bottega Veneta brand through January 2016 and to LVMH (7,600 square feet) for its DeBeers brand through January 2019.

The purchase price for the property is approximately \$700 million. The GAAP yield is estimated at over 4%. Vornado will own between 67% and 80% with Crown owning the balance. The final ownership percentages will be based on the amount of debt financing put on the property and Crown's short-term option to invest additional capital. The purchase is expected to close by early fourth quarter of this year, subject to customary closing conditions.

Vornado's Manhattan Street Retail portfolio consists of 2.8 million square feet in 63 properties with annual EBITDA of over \$310 million.

Vornado Realty Trust is a fully integrated equity real estate investment trust. Crown is a New York based family owned real estate company.

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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