

PRESS RELEASE

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JULY 29, 1998

Vornado purchased \$50 million of Capital Trust's 8.25% Step-Up Convertible Trust Securities.

SADDLE BROOK, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today announced that it has purchased \$50 million of Capital Trust's (NYSE:CT) 8.25% Step Up Convertible Trust Securities. These shares were sold as part of a \$150 million private placement. The remaining securities were acquired by Equity Office Properties Trust (NYSE:EOP) and affiliates of the General Motors Pension Trust. The preferred shares are convertible at any time by the holder into common shares at a conversion price of \$11.70, reflecting a 30% conversion premium over Capital Trust's common stock price at the close of business on Friday, July 24, 1998. The preferred shares have a 20-year maturity and are non-callable for five years.

Capital Trust is a fully integrated, self-managed specialty finance company focused on the commercial real estate industry.

Separately, Steven Roth, Chairman and Chief Executive Officer of Vornado will join Capital Trust's Board of Trustees.

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