

PRESS RELEASE

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Vornado's operating results for quarter ended March 31, 2002.

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today reported that funds from operations for the quarter ended March 31, 2002 was \$109.2 million, or \$.98 per diluted share, compared to \$81.9 million, or \$.84 per diluted share, for the prior year's quarter. Adjusting funds from operations for certain items which affect comparability, first quarter 2002 funds from operations is 9.7% higher than first quarter 2001 on a per share basis, as detailed below:

(amounts in thousands, except per share amounts)	FOR THE THREE MONTHS ENDED			
	March 31, 2002		March 31, 2001	
	Amount	Per Share	Amount	Per Share
Funds from operations as shown above	\$ 109,246	\$.98	\$ 81,907	\$.84
Adjustments:				
Amortization of Officer's employment arrangement	6,875	.06	--	--
Gain on sale of Chicago condominiums	(1,531)	(.01)	--	--
Costs of acquisitions not consummated	--	--	5,000	.06
Write-off of an equity investment in a technology company	--	--	4,723	.04
Minority Interest	(1,116)	(.01)	(1,191)	(.01)
Funds from operations, as adjusted	<u>\$ 113,474</u>	<u>\$ 1.02</u>	<u>\$ 90,439</u>	<u>\$.93</u>

Net income applicable to common shares for the quarter ended March 31, 2002 was \$43.3 million, or \$.40 per diluted share, versus \$46.8 million, or \$.52 per diluted share, for the quarter ended March 31, 2001.

Net income for the three months ended March 31, 2002 includes a charge of \$30.1 million for the write-off of goodwill arising from the Company's investment in Temperature Controlled Logistics and the Hotel Pennsylvania resulting from the cumulative effect of the application of SFAS 142, "Goodwill and Other Intangible Assets". Funds from operations does not include this item.

Net income for the three months ended March 31, 2001 includes (i) the Company's \$6.3 million share of Alexander's net gain on sale of real estate and the Company's \$1.2 million share of Alexander's extraordinary gain on early extinguishment of debt and (ii) a charge of \$4.1 million resulting from the cumulative effect of the application of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities". These items aggregated \$3.4 million, or \$.04 per diluted share. Funds from operations does not include these items.

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

VORNADO REALTY TRUST

OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2002

(amounts in thousands, except per share amounts)	FOR THE THREE MONTHS ENDED	
	March 31, 2002	March 31, 2001
Revenues	<u>\$ 346,324</u>	<u>\$ 242,610</u>
Income before cumulative effect of change in accounting principle and extraordinary item	\$ 79,532	\$ 59,449
Cumulative effect of change in accounting principle	(30,129)	(4,110)
Extraordinary item	--	1,170
Net income	49,403	56,509
Preferred stock dividends	(6,131)	(9,673)
Net income applicable to common shares	<u>\$ 43,272⁽¹⁾</u>	<u>\$ 46,836⁽¹⁾⁽²⁾</u>
Funds from operations	<u>\$ 109,246⁽¹⁾</u>	<u>\$ 81,907⁽¹⁾</u>

Per Common Share:

Net income		
Basic	<u>\$.42</u>	<u>\$.54</u>
Diluted	<u>\$.40</u>	<u>\$.52</u>
Average number of common shares and share equivalents outstanding	<u>107,217,000</u>	<u>89,381,000</u>
Funds from operations	<u>\$.98</u>	<u>\$.84</u>
Average number of common shares and share equivalents outstanding used for determining funds from operations per share	<u>111,520,000</u>	<u>97,399,000</u>

(1) This quarter's funds from operations and net income include (i) a charge of \$6.9 million representing amortization of an officer's employment arrangement and (ii) a \$1.5 million net gain on the sale of Chicago condominiums. Funds from operations and net income for the three months ended March 31, 2001, include (i) a charge of \$5.0 million for the costs of acquisitions not consummated and (ii) a charge of \$4.7 million resulting from the write-off of an equity investment in a technology company. Funds from operations before these items and after minority interest was \$113.5 million or \$1.02 per diluted share, for the three months ended March 31, 2002, and \$90.4 million, or \$.93 per diluted share, for the three months ended March 31, 2001, a 9.7% increase on a per share basis.

Further, net income for the three months ended March 31, 2002 includes a charge of \$30.1 million for the write-off of goodwill arising from the Company's investment in Temperature Controlled Logistics and the Hotel Pennsylvania resulting from the cumulative effect of the application of SFAS 142, "Goodwill and Other Intangible Assets". Funds from operations does not include this item.

(2) Net income for the three months ended March 31, 2001 includes (i) the Company's \$6.3 million share of Alexander's net gain on sale of real estate and the Company's \$1.2 million share of Alexander's extraordinary gain on early extinguishment of debt and (ii) a charge of \$4.1 million resulting from the cumulative effect of the application of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities". These items aggregated \$3.4 million, or \$.04 per diluted share. Funds from operations does not include these items.

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.