

Vornado Sells Sears Stock

Company Release - 4/3/2006

PARAMUS, N.J.--(BUSINESS WIRE)--April 3, 2006--Vornado Realty Trust (NYSE:VNO) today announced that it is tendering the 7,500,000 common shares of Sears Canada Inc. that it owns to an affiliate of Sears Holdings Corporation pursuant to a revised tender offer priced at Cdn. \$18 per share. This sale will result in a net gain of \$53,475,000 to Vornado which will be recognized in the second quarter of 2006. Previously, in the fourth quarter of 2005, Sears Canada paid a special dividend pursuant to which Vornado recognized \$22,885,000 of income and paid a \$.77 per share special dividend to Vornado's shareholders. The Company's aggregate net gain from its investment in Sears Canada was \$76,360,000.

In addition, in the first quarter of 2006 the Company completed the sale of its Sears Holdings equity position pursuant to which it recognized a net gain of \$18,594,000. The Company's aggregate net gain from inception of its investment in Sears Holdings was \$142,860,000, which is long-term capital gain for income tax purposes.

Accordingly, the total net gain to Vornado from its Sears investments is \$219,220,000.

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