

Vornado Makes Mezzanine Loan on General Motors Building

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Vornado Realty Trust (NYSE:VNO) today announced that it has made a \$200 million mezzanine loan secured by partnership interests in the General Motors Building. The General Motors Building was acquired by Macklowe Properties in September 2003 for approximately \$1.4 billion. Vornado's loan is subordinate to \$900 million of other debt. The loan is based on a rate of LIBOR plus 8.685% (with a LIBOR floor of 1.5%) and currently yields 10.185%. The loan matures in October 2005, with three one-year extensions.

Further, Vornado will make an additional \$25 million loan, as part of a \$50 million loan, the balance of which will be funded by an affiliate of Soros Fund Management LLC. This loan, which is junior to the \$1.1 billion of loans noted above, is based on a rate of LIBOR plus 12.81% and currently yields 14.31%. The loan matures in October 2005, with three one-year extensions, and is expected to be funded in the next 30 days.

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