

Vornado's Board of Trustees Declares A Special Capital Gain Dividend on Common Shares

Company Release - 11/6/2003

Paramus, New Jersey November 7, 2003

VORNADO REALTY TRUST (NYSE:VNO) today announced the tax treatment for the gain of approximately \$157 million realized on the sale of its Two Park Avenue property on October 10, 2003.

The Company expects to defer approximately \$52 million of the gain by redeploying a portion of the proceeds in future property acquisitions through Section 1031 tax-free "like-kind" exchanges. The Company further reduced the taxable gain by utilizing its \$75 million capital loss carryover.

For the balance of the gain, the Company's Board of Trustees has declared an initial special capital gain cash dividend of \$.16 per share payable on December 29, 2003 to shareholders of record on December 18, 2003. Further, the Board expects to declare another special capital gain cash dividend of \$.16 per share in the first quarter of 2004.

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