

## Vornado Announces First Quarter 2008 FFO of \$3.28 Per Share

Company Release - 5/6/2008

PARAMUS, N.J.--(BUSINESS WIRE)--

VORNADO REALTY TRUST (New York Stock Exchange: VNO) today reported:

NET INCOME applicable to common shares for the quarter ended March 31, 2008 was \$397.9 million, or \$2.47 per diluted share, versus \$152.6 million, or \$0.96 per diluted share, for the quarter ended March 31, 2007. Net income for the quarter ended March 31, 2008 includes \$6.0 million of net gains on sales of real estate. Net income for the quarters ended March 31, 2008 and 2007 also includes certain items that affect comparability which are listed in the table below. The aggregate of these items, net of minority interest, increased net income applicable to common shares for the quarter ended March 31, 2008 by \$258.3 million or \$1.58 per diluted share and decreased net income applicable to common shares for the quarter ended March 31, 2007 by \$3.1 million or \$0.02 per diluted share.

FUNDS FROM OPERATIONS applicable to common shares plus assumed conversions ("FFO") for the quarter ended March 31, 2008 was \$535.2 million, or \$3.28 per diluted share, compared to \$270.2 million, or \$1.65 per diluted share, for the quarter ended March 31, 2007. Adjusting FFO for certain items that affect comparability which are listed in the table below, FFO for the quarters ended March 31, 2008 and 2007 was \$275.9 million and \$267.2 million, or \$1.69 and \$1.63 per share, respectively.

(Amounts in thousands, except per share amounts) For the Quarter  
Ended March 31,

	2008	2007
FFO applicable to common shares plus assumed conversions (1)	\$535,211	\$270,165

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Per Share	\$3.28	\$1.65		
	=====	=====		
Items that affect comparability (income) expense:				
Reversal of deferred income taxes initially recorded in connection with H Street acquisition	\$(222,174)	\$--		
Net gain on sale of Americold	(112,690)	--		
Write-off of pre-development costs	34,200	--		
Derivative positions in marketable equity securities	18,362	(9,380)		
Reversal of MPH mezzanine loan loss accrual	(10,300)	--		
Marketable equity security-impairment loss	9,073	--		
Costs of acquisitions not consummated	2,283	8,807		
Alexander's stock appreciation rights	205	(4,694)		
Prepayment penalties and write-off of unamortized financing costs	--	5,861		
Other net	1,663	1,891		
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	(279,378)	2,485		
Americold's FFO - sold on March 31, 2008		(6,098)	(5,803)	
	-----			
	(285,476)	(3,318)		
Minority limited partners' share of above adjustments	26,145	307		
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	\$(259,331)	\$(3,011)		
	=====	=====		
Per share	\$(1.59)	\$(0.02)		
	=====	=====		
FFO as adjusted for comparability	\$275,880	\$267,154		
	=====	=====		
Per share	\$1.69	\$1.63		
	=====	=====		

(1) See page 3 for a reconciliation of net income to FFO for the quarters ended March 31, 2008 and 2007.

#### Supplemental Financial Information

Further details regarding the Company's results of operations, properties and tenants can be accessed at the Company's website [www.vno.com](http://www.vno.com). Vornado Realty Trust is a fully integrated equity real estate investment trust.

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.

VORNADO REALTY TRUST  
 OPERATING RESULTS FOR THE QUARTER ENDED  
 MARCH 31, 2008 AND 2007

(Amounts in thousands, except per share amounts) FOR THE QUARTER  
 ENDED MARCH 31,

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 2008    2007  
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Revenues	\$652,521	\$536,244
	=====	=====
Income from continuing operations	\$348,338	\$190,061
Income (loss) from discontinued operations, net	100,348	(1,135)
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Income before allocation to limited partners	448,686	188,926
Minority limited partners' interest in the Operating Partnership	(31,670)	(17,177)
Perpetual preferred unit distributions of the Operating Partnership	(4,819)	(4,818)
	-----	-----
Net income	412,197	166,931
Preferred share dividends	(14,275)	(14,296)
	-----	-----
Net income applicable to common shares	\$397,922	\$152,635
	=====	=====
Net income per common share:		
Basic	\$2.60	\$1.01
	=====	=====
Diluted	\$2.47	\$0.96
	=====	=====
Average number of common shares and share equivalents outstanding:		
Basic	153,301	151,428
	=====	=====

Diluted	163,388	164,001
	=====	=====
FFO applicable to common shares plus assumed conversions	\$535,211	\$270,165
	=====	=====
FFO per diluted share	\$3.28	\$1.65
	=====	=====
Average number of common shares and share equivalents outstanding used for determining FFO per diluted share	163,388	164,001
	=====	=====

The following table reconciles net income to FFO:

(Amounts in thousands)	For The Quarter	
	Ended March 31,	
	2008	2007
	-----	-----
Net income	\$412,197	\$166,931
Depreciation and amortization of real property	129,860	93,665
Net gains on sale of real estate	(580)	--
Proportionate share of adjustments to equity in net income of Toys to arrive at FFO:		
Depreciation and amortization of real property	16,652	33,923
Income tax effect of above adjustments	(5,828)	(11,883)
Proportionate share of adjustments to equity in net income of partially owned entities, excluding Toys, to arrive at FFO:		
Depreciation and amortization of real property	11,586	9,061
Net gains on sale of real estate	(5,422)	--
Minority limited partners' share of above adjustments	(14,286)	(12,618)
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FFO	544,179	279,079
Preferred share dividends	(14,275)	(14,296)
	-----	-----
FFO applicable to common shares	529,904	264,783
Interest on 3.875% exchangeable senior debentures	5,255	5,309
Series A convertible preferred dividends	52	73
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FFO applicable to common shares plus assumed conversions	\$535,211	\$270,165

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FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as net income or loss determined in accordance with Generally Accepted Accounting Principles ("GAAP"), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO and FFO per diluted share are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO and FFO per diluted share should be evaluated along with GAAP net income and income per diluted share (the most directly comparable GAAP measures), as well as cash flow from operating activities, investing activities and financing activities, in evaluating the operating performance of equity REITs. Management believes that FFO and FFO per diluted share are helpful to investors as supplemental performance measures because these measures exclude the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, these non-GAAP measures can facilitate comparisons of operating performance between periods and among other equity REITs. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs as disclosed in the Company's Consolidated Statements of Cash Flows. FFO should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. In addition to FFO, the Company also discloses FFO before certain items that affect comparability. Although this non-GAAP measure clearly differs from NAREIT's definition of FFO, the Company believes it provides a meaningful presentation of operating performance. A reconciliation of net income to FFO is provided above. In addition, a reconciliation of FFO to FFO before certain items that affect comparability is provided on page 1 of this press release.

Source: Vornado Realty Trust

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