

# Recapitalization and Redevelopment of 280 Park Avenue Announced

Company Release - 5/17/2011

Equity and Debt Investment Positions Merged to Form New Ownership Structure

Partnership Plans \$150 Million Repositioning and Re-Tenancing Program

NEW YORK--(BUSINESS WIRE)-- In a transaction completed today, 280 Park Avenue equity partners Broadway Partners and Investcorp have executed a recapitalization agreement with mezzanine debt holders SL Green Realty Corp (NYSE: SLG) and Vornado Realty Trust (NYSE: VNO). The transaction merges the parties' respective equity and debt positions to form a new ownership structure for the Class A office property and includes funding for an approximate \$150 million repositioning and re-tenancing program.

The recapitalization follows the recent formation of a 50/50 joint venture between Vornado and SL Green that combined their debt positions, which totaled \$400 million. That joint venture will now hold a significant majority equity stake in the property. Broadway Partners is injecting fresh equity capital to retain an ownership interest and will remain in a co-management role as well.

280 Park Avenue features 1.237 million square feet of prime office space in close proximity to Grand Central Terminal and is widely recognized as one of the area's finest buildings. The new owners will execute a comprehensive redevelopment program to further upgrade all public areas and provide state-of-the-art building infrastructure. The property currently has available a large block of contiguous space, which is an increasingly rare commodity in midtown Manhattan.

Broadway Partners CEO Scott Lawlor commented, "We're extremely pleased to have formed this new joint venture with SL Green and Vornado, two of New York's foremost commercial property investment organizations. Both have outstanding records in repositioning properties and we look forward to working together to maximize value."

SL Green CEO Marc Holliday said, "Many great office properties were impacted adversely by the most recent market

downturn, but now offer great upside potential to investors who have the resources to take advantage. We see 280 Park as one of those opportunities and we look forward to working with our partners to realize the property's great potential. We're pleased that we were able to work with Scott Lawlor and his team to resolve a series of complex issues and fashion a new ownership structure that should benefit everyone."

Michael D. Fascitelli, Vornado President and Chief Executive Officer, said, "We have great partners in this venture and believe that the recapitalization and redevelopment of this prime asset will produce strong returns for our shareholders."

Investcorp Head of Real Estate Jon Dracos commented, "This has been a challenging and complex transaction, but with a result that is genuinely win-win, thanks to excellent collaboration between the four firms involved. For Investcorp it helps preserve the future upside potential and additional investment, while maximizing value in this first-class property".

EdgeRock Realty Advisors, LLC served as financial advisor to Broadway Partners on the transaction.

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 Vornado or SL Green, as the case may be, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of factors that could materially affect the outcome of these forward-looking statements and the future results and financial condition of Vornado or SL Green, as the case may be, see "Risk Factors" in Part I, Item 1A, of the Annual Report on Form 10-K, as amended, for the year ended December 31, 2010 of Vornado or SL Green, as applicable. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

Source: Vornado Realty Trust

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