VORNADO
REALTY TRUST

Vornado Announces its Share of Toys "R" Us First Quarter Financial Results

Company Release - 6/24/2010

PARAMUS, N.J.--(BUSINESS WIRE)-- Vornado Realty Trust (NYSE:VNO) announced today that it will record its 32.7% share of Toys "R" Us' first quarter financial results in its second quarter ending June 30, 2010. Vornado's results will include a net loss of $21,004,000, or $0.10 per diluted share, compared to a net loss of $14,273,000, or $0.08 per diluted share recorded in the quarter ended June 30, 2009.

Vornado's share of negative Funds From Operations ("FFO") before income taxes for the quarter ending June 30, 2010 will be $27,464,000, or $0.13 per diluted share, compared to negative FFO before income taxes of $10,164,000, or $0.05 per diluted share in the prior year's quarter. Vornado's share of negative FFO after income taxes for the quarter ending June 30, 2010 will be $9,523,000, or $0.05 per diluted share, compared to FFO after income taxes of $4,155,000, or $0.02 per diluted share in the quarter ended June 30, 2009.

The business of Toys is highly seasonal; historically, Toys' fourth quarter net income accounts for more than 80% of its fiscal year net income.

Attached is a summary of Toys' financial results and Vornado's 32.7% share of its equity in Toys' net income, as well as reconciliations of net income to earnings before interest, taxes, depreciation and amortization ("EBITDA") and FFO.

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.

Toys "R" Us, Inc.
Condensed Consolidated Statements of Operations – Unaudited

(Amounts in thousands)	For the Quarter Ended May 1, 2010 Results on a Historical Basis	For the Quarter Ended May 1, 2010 Results on Vornado's Purchase Price Accounting Basis	For the Quarter Ended May 2, 2009 Results on Vornado's Purchase Price Accounting Basis
Net sales	$ 2,608,000	$ 2,608,000	$ 2,477,000
Cost of sales	1,663,000	1,663,000	1,587,000
Gross margin	945,000	945,000	890,000
Selling, general and administrative expenses	858,000	869,100	798,100
Depreciation and amortization	94,000	106,000	101,000
Other income, net	(12,000)	(12,200)	(12,000)
Total operating expenses	940,000	962,900	887,100
Operating income (loss)	5,000	(17,900)	2,900
Interest expense	(125,000)	(129,500)	(98,600)
Interest income	1,000	1,000	2,000
Loss before income taxes	(119,000)	(146,400)	(93,700)
Income tax benefit	63,000	74,500	39,100
Net loss	(56,000)	(71,900)	(54,600)
Less: Net loss attributable to noncontrolling interest	1,000	1,000	5,000
Net loss attributable to Toys "R" Us, Inc.	$ (55,000)	$ (70,900)	$ (49,600)
Vornado's 32.7% equity in Toys' net loss		$ (23,191)	$ (16,220)
Management fee from Toys, net		1,822	1,571
Interest income on credit facility		365	376
Total Vornado net loss from its investment in Toys		$ (21,004)	$ (14,273) (1)

See page 3 for a reconciliation of net loss to negative FFO.

Reconciliation of Vornado's net loss from its investment in Toys to EBITDA (2):		
Net loss	$ (21,004)	$ (14,273) (1)
Interest and debt expense	42,093	31,521
Depreciation and amortization	34,444	31,754
Income tax benefit	(24,123)	(11,630)
Vornado's share of Toys' EBITDA (2)	$ 31,410	$ 37,372

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(1) Excludes a $13,946 non-cash purchase accounting adjustment from the reversal of previously recognized deferred financing cost amortization expense, which we initially recorded as a reduction of the basis of our investment in Toys.

(2) EBITDA represents "Earnings Before Interest, Taxes, Depreciation and Amortization." Management considers EBITDA a supplemental measure for making decisions and assessing the unlevered performance of its segments as it relates to the total return on assets as opposed to the levered return on equity. EBITDA should not be considered a substitute for net income. EBITDA may not be comparable to similarly titled measures employed by other companies.

Toys "R" Us, Inc.
Funds From Operations - Unaudited

(Amounts in thousands)

	For the Quarter Ended	
	May 1, 2010	May 2, 2009
Reconciliation of Vornado's net loss from its investment in Toys to negative FFO (1):		
Net loss	$ (21,004)	$ (14,273)(2)
Depreciation and amortization of real property	17,663	15,566
Income tax effect of above adjustment	(6,182)	(5,448)
Vornado's share of Toys' negative FFO (1)	$ (9,523)	$ (4,155)

(1) 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 GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, depreciation and amortization expense from real estate assets, extraordinary items and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flows as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies.

(2) Excludes a $13,946 non-cash purchase accounting adjustment from the reversal of previously recognized deferred financing cost amortization expense, which we initially recorded as a reduction of the basis of our investment in Toys.

Source: Vornado Realty Trust

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