

Vornado Makes Loans For \$152 Million

Company Release - 2/15/2005

PARAMUS, N.J.--(BUSINESS WIRE)--Feb. 15, 2005--Vornado Realty Trust (NYSE:VNO) today announced that it has supplied \$135 million of financing to Riley Holdco Corp, an entity formed to complete the acquisition of LNR Property Corporation (NYSE:LNR). Riley Holdco Corp. is a wholly owned subsidiary of LNR Property Holdings, Ltd., which is 75% owned by funds and accounts managed by Cerberus Capital Management, L.P. and its real estate affiliate Blackacre Institutional Capital Management, LLC. The terms of the financings are as follows.

\$60 million of a \$325 million mezzanine tranche of a \$2.4 billion credit facility which is secured by certain equity interests. This tranche is junior to \$1.9 billion of the credit facility, bears interest at LIBOR plus 5.25%, and matures in February 2008 with two one-year extensions.

\$75 million of \$400 million of unsecured notes which are subordinate to the \$2.4 billion credit facility and senior to over \$700 million of equity contributed to finance the acquisition. These notes mature in February 2015, provide for a 1.5% placement fee, and bear interest at 10% for the first five years and 11% for years six through ten.

In a separate transaction, Vornado acquired from JER Investors Trust a \$17 million participation in a \$34 million mezzanine loan secured by Roney Palace Phase II, in Miami Beach, Florida, a 593 room hotel to be converted to residential condominiums. The loan, which is subordinate to \$141 million of other debt, bears interest at LIBOR plus 9.53%, until 25% of the loan is repaid and LIBOR plus 7.48% thereafter until maturity in October 2006. The loan has a one-year extension option.

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.

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