

## Vornado Announces Public Offering of 3.875% Exchangeable Senior Debentures

Company Release - 3/22/2005

PARAMUS, N.J.--(BUSINESS WIRE)--March 22, 2005--Vornado Realty Trust (NYSE:VNO) today announced that Vornado Realty L.P., its operating partnership, has agreed to sell \$500 million aggregate principal amount of 3.875% exchangeable senior debentures due 2025 pursuant to an effective registration statement. The aggregate net proceeds from this offering, after underwriters' discounts and expenses, are estimated to be approximately \$490 million. Citigroup Global Markets is serving as the underwriter for this offering and has a 30-day option to purchase up to an additional \$75 million of debentures to cover over-allotments.

The debentures are exchangeable, under certain circumstances, for common shares of Vornado Realty Trust at an initial exchange rate of 10.9589 common shares per \$1,000 of principal amount of debentures. The initial exchange price of \$91.25 represents a premium of 30% to today's \$70.25 closing price for Vornado's common shares. Vornado Realty L.P. may elect to settle any exchange right in cash. The debentures permit Vornado to increase its common dividend up to 5% per annum without an increase to the exchange rate.

The debentures are redeemable at Vornado Realty L.P.'s option beginning in 2012 for the principal amount plus accrued and unpaid interest. Holders of the debentures have the right to require the issuer to repurchase their debentures in 2012, 2015, and 2020 and in the event of a change in control.

The net proceeds from the offering will be used for working capital and other corporate purposes.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification.

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 transactions described above.

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