

## PRESS RELEASE

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**Vornado and Charles E. Smith Commercial Realty agree to combine.**

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) and Charles E. Smith Commercial Realty L.P. ("CESCR") today announced that they have entered into a definitive agreement pursuant to which CESCR will combine its operations with Vornado. Vornado currently owns a 34% interest in CESCR. The consideration for the remaining 66% of CESCR is approximately \$1,584 million, consisting of a fixed amount of 15.7 million newly issued Vornado Operating Partnership units (preliminarily valued at \$599 million) and \$985 million of debt (66% of CESCR's total debt).

CESCR owns and manages 12.4 million square feet of office properties in Washington D.C. and Northern Virginia and manages an additional 5.8 million square feet of office and other commercial properties in the Washington D.C. area.

Upon closing this transaction, Vornado will expand its Board of Trustees to nine members from seven. Robert H. Smith and Robert P. Kogod will be added to the Board of Trustees. Mr. Smith is to have the title of Chairman of Charles E. Smith Commercial Realty, a division of Vornado Realty Trust.

The closing, which is expected in the first quarter of 2002, is subject to receipt of certain consents from third parties and other customary conditions; accordingly, there can be no assurance that the proposed transaction will ultimately be completed.

Investors and security holders are urged to read Vornado's Form 8-K which has been filed with the Securities and Exchange Commission in connection with this transaction. In addition, further information about this transaction and Vornado, as well as the Form 8-K, are available on the Company's website at [vno.com](http://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 anticipated revenues, expenses and cash flows of the CESCR properties, the timing of and costs associated with property improvements, financing commitments and general economic and competitive factors.

The securities to be offered in the proposed merger will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.