

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d)(1) or Section 13(e)(1)
of the Securities Exchange Act of 1934

VORNADO REALTY TRUST

VORNADO REALTY L.P.

(Name of Subject Company (Issuer))

VORNADO REALTY TRUST

(Name of Filing Person (Offeror))

3.625% Convertible Senior Debentures due 2026

2.85% Convertible Senior Debentures due 2027

(Title of Class of Securities)

929043AE7 (3.625% Convertible Senior Debentures due 2026)

929042AC3 (2.85% Convertible Senior Debentures due 2027)

(CUSIP Number of Class of Securities)

Joseph Macnow
Vornado Realty Trust
888 Seventh Avenue
New York, NY 10019
(212) 894-7000

(Name, address and telephone number of person authorized
to receive notices and communications on behalf of filing person)

With copies to:
William G. Farrar, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004
(212) 558-4000

Calculation of Filing Fee

Transaction valuation(1)

\$412,503,105

Amount of filing fee(2)

\$29,411.43

- (1) Calculated solely for purposes of determining the amount of the filing fee. The transaction valuation was calculated based on the purchase of (i) \$382,046,000 aggregate principal amount of the Vornado Realty Trust's 3.625% Convertible Senior Debentures due 2026, which are fully and unconditionally guaranteed by Vornado Realty L.P., at the tender offer price of \$1,020 per \$1,000 principal amount of such debentures and (ii) \$22,479,000 aggregate principal amount of Vornado Realty Trust's 2.85% Convertible Senior Debentures due 2027, which are fully and unconditionally guaranteed by Vornado Realty L.P., at the tender offer price of \$1,015 per \$1,000 principal amount of such debentures. No separate consideration is being offered or paid in respect of the guarantees.
- (2) The amount of the filing fee was calculated at a rate of \$71.30 per \$1,000,000 of transaction value.

o Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: Not applicable.
Form or Registration No.: Not applicable.

Filing Party: Not applicable.

Date Filed: Not applicable.

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

INTRODUCTION

This Tender Offer Statement on Schedule TO (the "*Schedule TO*") relates to separate offers (each an "*Offer*" and collectively, the "*Offers*") by Vornado Realty Trust (the "*Company*"), a fully integrated real estate investment trust organized under the laws of the State of Maryland, to purchase any and all of the Company's issued and outstanding (i) 3.625% Convertible Senior Debentures due 2026 (the "*2026 Debentures*"), which are fully and unconditionally guaranteed by Vornado Realty L.P. (the "*Partnership*"), a limited partnership organized under the laws of the State of Delaware, for cash, at the consideration equal to \$1,020 per \$1,000 principal amount of the 2026 Debentures purchased and (ii) 2.85% Convertible Senior Debentures due 2027 (the "*2027 Debentures*" and together with the 2026 Debentures, the "*Debentures*"), which are fully and unconditionally guaranteed by the Partnership, for cash, at the consideration equal to \$1,015 per \$1,000 principal amount of the 2027 Debentures purchased, in each case upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 2, 2010 (the "*Offer to Purchase*") and the related Letter of Transmittal. These Offers consist of two separate offers, one for each series of Debentures. The Company's obligation to accept for payment, and to pay for, any Debentures validly tendered and not validly withdrawn pursuant to an Offer is subject to satisfaction of the applicable conditions described in the Offer to Purchase. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"). This Schedule TO incorporates by reference certain sections of the Offer to Purchase specified below in response to Items 1, 2 and 4, and Items 6 through 9 of this Schedule TO, as more particularly described below.

Item 1. Summary Term Sheet.

The information set forth in the Offer to Purchase in the section entitled "Summary Term Sheet" is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the issuers are Vornado Realty Trust, a fully integrated real estate investment trust organized under the laws of the State of Maryland, and Vornado Realty L.P., a limited partnership organized under the laws of the State of Delaware, which is the operating partnership of the Vornado Realty Trust and for which Vornado Realty Trust serves as the general partner. The address of the principal executive offices of both Vornado Realty Trust and Vornado Realty L.P. is 888 Seventh Avenue, New York, New York 10019. The telephone number of the principal executive offices is (212) 894-7000.

(b) The subject classes of securities are the Company's (i) 3.625% Convertible Senior Debentures due 2026, which are fully and unconditionally guaranteed by the Partnership and (ii) 2.85% Convertible Senior Debentures due 2027, which are fully and unconditionally guaranteed by the Partnership. As of the date of this filing, (i) \$382,046,000 in aggregate principal amount of 2026 Debentures was outstanding and (ii) \$22,479,000 in aggregate principal amount of 2027 Debentures was outstanding.

(c) The Debentures are not listed on any national or regional securities exchange or quoted on any automated quotation system. To the Company's knowledge, the Debentures are traded infrequently in transactions arranged through brokers, and reliable market quotations for the Debentures are not available. The common shares of beneficial interest of the Company, par value \$0.04 per share into which the Debentures may be convertible trade on the New York Stock Exchange under the symbol "VNO". The information set forth under "Market Information About the Debentures and the Common Shares" in the Offer to Purchase is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a) The Company is the filing person. The Company's business address and phone number are set forth in Item 2 above of Schedule TO. The names of the executive officers and trustees of the board of

trustees of the Company who are persons specified in Instruction C to Schedule TO are set forth below.

| <u>Name</u> | <u>Position</u> |
|-----------------------|---|
| Steven Roth | Chairman of the Board of Trustees |
| Candace K. Beinecke | Trustee |
| Anthony W. Deering | Trustee |
| Michael D. Fascitelli | Trustee, Chief Executive Officer and President |
| Robert P. Kogod | Trustee |
| Michael Lynne | Trustee |
| David Mandelbaum | Trustee |
| Ronald G. Targan | Trustee |
| Dr. Richard R. West | Trustee |
| Russel B. Wight, Jr. | Trustee |
| Michael J. DeMarco | Executive Vice President |
| Michelle Felman | Executive Vice President—Acquisitions |
| David R. Greenbaum | President New York Office Division |
| Christopher Kennedy | President of Merchandise Mart Division |
| Joseph Macnow | Executive Vice President—Finance and Administration and Chief Financial Officer |
| Sandeep Mathrani | Executive Vice President Retail Division |
| Mitchell N. Schear | President of Vornado/Charles E. Smith |
| Wendy Silverstein | Executive Vice President—Capital Markets |

The business address of each person set forth above is c/o Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019. The telephone number of each person set forth above is (212) 894-7000.

Item 4. Terms of the Transaction.

- (a) Material Terms.
 - (1) Tender Offers.
 - (i) The information set forth in the Offer to Purchase in the sections entitled "Summary Term Sheet" and "Impact of the Offers on Rights of the Holders of the Debentures" is incorporated herein by reference.
 - (ii) – (iii) The information in the Offer to Purchase in the sections entitled "Summary Term Sheet", "The Offers—Consideration; Accrued Interest" and "The Offers—Expiration Time; Extension; Amendment; Termination" is incorporated herein by reference.
 - (iv) Not applicable.
 - (v) The information set forth in the Offer to Purchase in the section entitled "The Offers—Expiration Time; Extension; Amendment; Termination" is incorporated herein by reference.
 - (vi) – (vii) The information set forth in the Offer to Purchase in the sections entitled "Summary Term Sheet" and "Procedures for Tendering and Withdrawing Debentures" is incorporated herein by reference.
 - (viii) The information set forth in the Offer to Purchase in the sections entitled "Summary Term Sheet" and "Acceptance for Payment and Payment" is incorporated herein by reference.
 - (ix) Not applicable.
-

- (x) The information set forth in the Offer to Purchase in the section entitled "Impact of the Offer on Rights of the Holders of the Debentures" is incorporated herein by reference.
 - (xi) Not applicable.
 - (xii) The information set forth in the Offer to Purchase in the sections entitled "Summary Term Sheet" and "Material U.S. Federal Income Tax Consequences" is incorporated herein by reference.
- (2) Mergers and Similar Transactions.
- (i) – (vii) Not applicable.
- (b) The information set forth in the Offer to Purchase in the section entitled "Miscellaneous" is incorporated herein by reference.

Item 5. Past Contracts, Transactions, Negotiations and Agreements.

- (e) Agreements Involving the Subject Company's Securities.

The Company has entered into the following agreements relating to the Debentures:

(1) Indenture, dated as of November 20, 2006 among Vornado Realty Trust, as Issuer, Vornado Realty L.P., as Guarantor and The Bank of New York, as Trustee (the "*2006 Indenture*")—Incorporated by reference to Exhibit 4.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006.

(2) Form of 3.625% Convertible Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006.

(3) Form of Guarantee of Vornado Realty L.P. relating to the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006.

(4) Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006.

(5) Form of 2.85% Convertible Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007.

(6) Form of Guarantee of Vornado Realty L.P. relating to the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007.

(7) Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007.

Item 6. Purposes of the Transaction and Plans or Proposals.

- (a) The information set forth in the Offer to Purchase in the section entitled "The Offers—Purpose of the Transaction" is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase in the section entitled "The Offers—Purpose of the Transaction" is incorporated herein by reference.
- (c) Not applicable.

Item 7. Source and Amount of Funds or Other Consideration.

- (a) The information set forth in the Offer to Purchase in the section entitled "The Offers—Source and Amount of Funds" is incorporated herein by reference.
- (b) There are no financing conditions.
- (d) Not applicable.

Item 8. Interest in Securities of the Subject Company.

- (a) The information set forth in the Offer to Purchase in the section entitled "Miscellaneous" is incorporated herein by reference.
- (b) The information set forth in the Offer to Purchase in the section entitled "Miscellaneous" is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed Compensated or Used.

- (a) The information set forth in the Offer to Purchase in the section entitled "Solicitation and Expenses" is incorporated herein by reference.

Item 10. Financial Statements.

Not applicable.

Item 11. Additional Information.

Not applicable.

Item 12. Exhibits.

Exhibits filed as a part of this Schedule TO are listed below. Exhibits incorporated by reference are indicated in parentheses.

| Exhibit Number | Description |
|-------------------|--|
| (a)(1)(i) | Offer to Purchase dated September 2, 2010. |
| (a)(1)(ii) | Form of Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9). |
| (a)(1)(iii) | Form of Letter to Brokers, Securities Dealers, Trust Companies and Other Nominees that are Holders of Debentures. |
| (a)(1)(iv) | Form of Letter to Clients who are Beneficial Owners of Debentures. |
| (a)(5)(i) | Press Release dated September 2, 2010 |
| (b) | Not applicable. |
| (c) | Not applicable. |

| Exhibit Number | Description |
|-------------------|---|
| (d)(1) | Indenture, dated as of November 20, 2006 among Vornado Realty Trust, as Issuer, Vornado Realty L.P., as Guarantor and The Bank of New York, as Trustee (the "2006 Indenture")—Incorporated by reference to Exhibit 4.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(2) | Form of 3.625% Convertible Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(3) | Form of Guarantee of Vornado Realty L.P. relating to the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(4) | Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(5) | Form of 2.85% Convertible Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (d)(6) | Form of Guarantee of Vornado Realty L.P. relating to the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (d)(7) | Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (g) | Not applicable. |
| (h) | Not applicable. |

Item 13. Information Required by Schedule 13E-3.

Not applicable.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 2, 2010

VORNADO REALTY TRUST

By: /s/ JOSEPH MACNOW

Name: Joseph Macnow

Title: *Executive Vice President
—Finance and Administration and
Chief Financial Officer*

EXHIBIT INDEX

Exhibits filed as a part of this Schedule TO are listed below. Exhibits incorporated by reference are indicated in parentheses.

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|---|
| (a)(1)(i) | Offer to Purchase dated September 2, 2010. |
| (a)(1)(ii) | Form of Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9). |
| (a)(1)(iii) | Form of Letter to Brokers, Securities Dealers, Trust Companies and Other Nominees that are Holders of Debentures. |
| (a)(1)(iv) | Form of Letter to Clients who are Beneficial Owners of Debentures. |
| (a)(5)(i) | Press Release dated September 2, 2010. |
| (b) | Not applicable. |
| (c) | Not applicable. |
| (d)(1) | Indenture, dated as of November 20, 2006 among Vornado Realty Trust, as Issuer, Vornado Realty L.P., as Guarantor and The Bank of New York, as Trustee (the "2006 Indenture")—Incorporated by reference to Exhibit 4.1 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(2) | Form of 3.625% Convertible Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(3) | Form of Guarantee of Vornado Realty L.P. relating to the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(4) | Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 3.625% Senior Debentures due 2026 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006. |
| (d)(5) | Form of 2.85% Convertible Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.2 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (d)(6) | Form of Guarantee of Vornado Realty L.P. relating to the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.3 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (d)(7) | Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 2.85% Senior Debentures due 2027 of Vornado Realty Trust—Incorporated by reference to Exhibit 4.4 to Vornado Realty Trust's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007. |
| (g) | Not applicable. |
| (h) | Not applicable. |

QuickLinks

[INTRODUCTION](#)

[Item 1. Summary Term Sheet.](#)

[Item 2. Subject Company Information.](#)

[Item 3. Identity and Background of Filing Person.](#)

[Item 4. Terms of the Transaction.](#)

[Item 5. Past Contracts, Transactions, Negotiations and Agreements.](#)

[Item 6. Purposes of the Transaction and Plans or Proposals.](#)

[Item 7. Source and Amount of Funds or Other Consideration.](#)

[Item 8. Interest in Securities of the Subject Company.](#)

[Item 9. Persons/Assets, Retained, Employed Compensated or Used.](#)

[Item 10. Financial Statements.](#)

[Item 11. Additional Information.](#)

[Item 12. Exhibits.](#)

[Item 13. Information Required by Schedule 13E-3.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

Use these links to rapidly review the document
[TABLE OF CONTENTS](#)

[Table of Contents](#)

Exhibit 99.(a)(1)(i)

OFFER TO PURCHASE
VORNADO REALTY TRUST

Offer to Purchase for Cash
3.625% Convertible Senior Debentures due 2026
(CUSIP No. 929043AE7)
and
2.85% Convertible Senior Debentures due 2027
(CUSIP No. 929042AC3)
At the purchase price as provided herein per \$1,000 principal amount of Debentures

EACH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON SEPTEMBER 30, 2010, UNLESS EXTENDED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED, WITH RESPECT TO THAT OFFER, THE "EXPIRATION TIME"). **HOLDERS MUST VALIDLY TENDER AND NOT VALIDLY WITHDRAW THEIR DEBENTURES PRIOR TO THE APPLICABLE EXPIRATION TIME TO BE ELIGIBLE TO RECEIVE THE APPLICABLE CONSIDERATION.** TENDERS OF DEBENTURES MAY BE WITHDRAWN PRIOR TO THE APPLICABLE EXPIRATION TIME.

Vornado Realty Trust (the "Company", "Vornado", "we" or "us") hereby makes separate offers (each, an "Offer" and together, the "Offers"), upon the terms and subject to the conditions set forth in this Offer to Purchase (this "Offer to Purchase") and the Letter of Transmittal (the "Letter of Transmittal"), to purchase any and all of the Company's issued and outstanding (i) 3.625% Convertible Senior Debentures due 2026 (the "2026 Debentures"), which are fully and unconditionally guaranteed by Vornado Realty L.P., a limited partnership organized under the laws of the State of Delaware (the "Partnership"), the operating partnership of the Company and for which the Company serves as general partner, for cash, at the consideration equal to \$1,020 per \$1,000 principal amount of 2026 Debentures purchased (the "2026 Debentures Consideration") and (ii) 2.85% Convertible Senior Debentures due 2027 (the "2027 Debentures" and together with the 2026 Debentures, the "Debentures"), which are fully and unconditionally guaranteed by the Partnership, for cash, at the consideration equal to \$1,015 per \$1,000 principal amount of 2027 Debentures purchased (the "2027 Debentures Consideration" and together with the 2026 Debentures Consideration, the "Consideration"), in each case that are validly tendered and not validly withdrawn prior to the applicable Expiration Time. If a Holder (as defined below) validly tenders its Debentures prior to the applicable Expiration Time and the Company accepts such Debentures for payment, upon the terms and subject to the conditions of the Offers, the Company will also pay to such Holder all accrued and unpaid interest on such Debentures, if any, up to, but not including, the Payment Date (as defined herein) ("Accrued Interest"). No tenders will be valid if submitted after the applicable Expiration Time.

The Company's obligation to accept for payment, and to pay for, any Debentures validly tendered and not validly withdrawn pursuant to each Offer is subject to satisfaction of all of the conditions described in this Offer to Purchase with respect to that Offer. See "Conditions to the Offers".

Any holder of Debentures (each, a "Holder", and collectively, "Holders") desiring to tender, and any beneficial owner of Debentures desiring that the Holder tender, all or any portion of such Holder's Debentures must comply with the procedures for tendering Debentures set forth herein in "Procedures for Tendering and Withdrawing Debentures" and in the Letter of Transmittal.

Any questions or requests for assistance concerning the Offers may be directed to Goldman, Sachs & Co. (the "Dealer Manager") or Global Bondholder Services Corporation (the "Information Agent") at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal or any other related documents may be directed to the Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Beneficial owners should contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offers. Global Bondholder Services Corporation is acting as depositary (the "Depositary") in connection with the Offers.

NONE OF THE COMPANY, THE PARTNERSHIP, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY MAKES ANY RECOMMENDATION IN CONNECTION WITH THE OFFERS.

THE OFFERS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), NOR HAS THE COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE OFFERS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFER TO PURCHASE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Dealer Manager for the Offer is:

Goldman, Sachs & Co.

September 2, 2010

IMPORTANT

Upon the terms and subject to the satisfaction or waiver of all conditions set forth herein and in the Letter of Transmittal, the Company will notify the Depository, promptly after the applicable Expiration Time, of which Debentures tendered are accepted for payment pursuant to each Offer. If a Holder validly tenders its Debentures prior to the applicable Expiration Time and does not validly withdraw its Debentures prior to the applicable Expiration Time and the Company accepts such Debentures for payment, upon the terms and subject to the conditions of the applicable Offer, the Company will pay such Holder the applicable Consideration and Accrued Interest for such Debentures on the Payment Date.

Payment for the Debentures will be made by the deposit of immediately available funds by the Company with the Depository, or, upon the Depository's instructions, with The Depository Trust Company ("*DTC*"), on the business day after the applicable Expiration Time or promptly thereafter (the date of payment with respect to each Offer being referred to herein as the "*Payment Date*"). The Depository and/or DTC will act as agents for the tendering Holders for the purpose of receiving payments from the Company and transmitting such payments to such Holders. See "Acceptance for Payment and Payment".

The Company expressly reserves the right, in its sole discretion but subject to applicable law, to (i) waive any and all of the conditions of an Offer, other than those dependent upon the receipt of necessary government approvals, prior to the applicable Expiration Time, (ii) extend the Expiration Time of an Offer, (iii) amend the terms of an Offer or (iv) if the conditions to an Offer are not satisfied, terminate such Offer and not accept for payment any Debentures tendered in such Offer. Any extension, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Time. The foregoing rights are in addition to the Company's right to delay the acceptance for payment of Debentures tendered pursuant to each Offer, or the payment for Debentures accepted for payment, in order to permit any or all conditions to such Offer to be satisfied or waived or to comply in whole or in part with any applicable law, subject, in each case, however, to Rules 13e-4 and 14e-1 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), which require that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer.

In the event that an Offer is terminated, withdrawn or otherwise lawfully not consummated, the applicable Consideration will not be paid or become payable to Holders who have validly tendered their Debentures pursuant to such Offer. In any such event, the Debentures previously tendered pursuant to that Offer will be promptly returned to the tendering Holders.

From time to time after the tenth business day following the Expiration Time or other date of termination of an Offer, the Company or its affiliates may acquire any Debentures that are not tendered pursuant to such Offer through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as the Company may determine, which may be more or less than the price to be paid pursuant to an Offer and could be for cash or other consideration. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) the Company or its affiliates will choose to pursue in the future.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFER TO PURCHASE AND RELATED DOCUMENTS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THE DELIVERY OF THIS OFFER TO PURCHASE SHALL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CURRENT AS OF ANY TIME SUBSEQUENT TO THE DATE OF SUCH INFORMATION. THE COMPANY AND THE PARTNERSHIP DISCLAIM ANY OBLIGATION TO

UPDATE OR REVISE ANY OF THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN TO THE EXTENT NOT OTHERWISE REQUIRED BY APPLICABLE LAW.

THIS OFFER TO PURCHASE DOES NOT CONSTITUTE AN OFFER TO PURCHASE IN ANY JURISDICTION, DOMESTIC OR FOREIGN, IN WHICH, OR TO OR FROM ANY PERSON TO OR FROM WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER UNDER APPLICABLE SECURITIES OR "BLUE SKY" LAWS.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFERS.

A beneficial owner of the Debentures that are held of record by a broker, dealer, commercial bank, trust company or other nominee must instruct such broker, dealer, commercial bank, trust company or other nominee to tender the Debentures on the beneficial owner's behalf. DTC has authorized DTC Participants (as defined below) that hold Debentures on behalf of beneficial owners of Debentures through DTC to tender their Debentures as if they were Holders. The Depository and DTC have confirmed that each Offer is eligible for DTC's Automated Tender Offer Program ("*ATOP*"). Accordingly, to effect such a tender of Debentures held in DTC, DTC Participants must tender their Debentures through *ATOP* and follow the procedures set forth in "Procedures for Tendering and Withdrawing Debentures—Debentures Held Through DTC". Holders desiring to tender their Debentures on the day when the applicable Expiration Time occurs should be aware that they must allow sufficient time for completion of the *ATOP* procedures during normal business hours of DTC on such day.

Any Holder who desires to tender Debentures and who holds physical certificates evidencing such Debentures must complete and sign a Letter of Transmittal (or a manually signed facsimile thereof) in accordance with the instructions therein, have the signature thereon guaranteed (if required by Instruction 2 of the Letter of Transmittal) and deliver such manually signed Letter of Transmittal (or a manually signed facsimile thereof), together with certificates evidencing such Debentures being tendered and any other required documents to the Depository, at its address set forth on the back cover of this Offer to Purchase prior to the applicable Expiration Time. As of the date hereof, all Debentures are held through DTC and therefore the procedures described in the immediately preceding paragraph will apply unless physical certificates evidencing Debentures were issued following the date hereof.

Tendering Holders will not be obligated to pay brokerage fees or commissions or the fees and expenses of the Dealer Manager, the Information Agent or the Depository. See "Dealer Manager; Information Agent; Depository".

There are no guaranteed delivery provisions provided for by the Company in connection with the Offers under the terms of this Offer to Purchase or any other related documents. Holders must tender their Debentures in accordance with the procedures set forth herein and in the Letter of Transmittal and complete such procedures prior to the applicable Expiration Time in order to be eligible to receive the applicable Consideration.

TABLE OF CONTENTS

| | <u>Page</u> |
|--|---------------------------|
| <u>SUMMARY TERM SHEET</u> | <u>1</u> |
| <u>ABOUT THE COMPANY</u> | <u>5</u> |
| <u>THE OFFERS</u> | <u>6</u> |
| <u>PROCEDURES FOR TENDERING AND WITHDRAWING DEBENTURES</u> | <u>8</u> |
| <u>ACCEPTANCE FOR PAYMENT AND PAYMENT</u> | <u>13</u> |
| <u>CONDITIONS TO THE OFFERS</u> | <u>15</u> |
| <u>IMPACT OF THE OFFERS ON RIGHTS OF THE HOLDERS OF THE DEBENTURES</u> | <u>17</u> |
| <u>ADDITIONAL CONSIDERATIONS CONCERNING THE OFFERS</u> | <u>19</u> |
| <u>MARKET INFORMATION ABOUT THE DEBENTURES</u> | <u>21</u> |
| <u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES</u> | <u>22</u> |
| <u>DEALER MANAGER, INFORMATION AGENT AND DEPOSITARY</u> | <u>26</u> |
| <u>SOLICITATION AND EXPENSES</u> | <u>26</u> |
| <u>MISCELLANEOUS</u> | <u>28</u> |
| <u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u> | <u>29</u> |
| <u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u> | <u>29</u> |
| <u>FORWARD-LOOKING STATEMENTS</u> | <u>31</u> |

SUMMARY TERM SHEET

The following summary is qualified in its entirety by reference to, and should be read in connection with, the information appearing elsewhere or incorporated by reference in this Offer to Purchase. Each of the capitalized terms used in this Summary and not defined herein has the meaning set forth elsewhere in this Offer to Purchase.

| | |
|--|---|
| The Company | Vornado Realty Trust, a fully integrated real estate investment trust organized under the laws of the State of Maryland. |
| The Partnership | Vornado Realty L.P., a limited partnership organized under the laws of the State of Delaware, which is the operating partnership of the Company and for which the Company serves as the general partner. |
| The Debentures | 3.625% Convertible Senior Debentures due 2026 of the Company, which are fully and unconditionally guaranteed by the Partnership. 2.85% Convertible Senior Debentures due 2027 of the Company, which are fully and unconditionally guaranteed by the Partnership. As of the date hereof, there are \$382,046,000 aggregate principal amount of 2026 Debentures outstanding and there are \$22,479,000 aggregate principal amount of 2027 Debentures outstanding. See "Impact of the Offers on Rights of the Holders of the Debentures". |
| The Offers | In each Offer, the Company is offering to purchase, upon the terms and subject to the conditions described herein and in the Letter of Transmittal, any and all of the Debentures validly tendered and not validly withdrawn prior to the applicable Expiration Time, in each case for the applicable Consideration plus Accrued Interest. See "The Offers". |
| Purpose of the Offer; Source and Amount of Funds | The purpose of the Offers is to purchase Debentures in order to reduce the amount of the Company's outstanding indebtedness and the associated interest expense. The Company will fund purchases pursuant to the Offers from available cash received from the Partnership in repayment of certain of its obligations to the Company. See "The Offers—Purpose of the Transaction" and "The Offers—Source and Amount of Funds". |
| Consideration; Accrued Interest | The Consideration offered is (i) cash in an amount equal to \$1,020 per \$1,000 principal amount of 2026 Debentures purchased in the Offer therefor and (ii) cash in an amount equal to \$1,015 per \$1,000 principal amount of 2027 Debentures purchased in the Offer therefor. If a Holder validly tenders and does not validly withdraw its Debentures prior to the applicable Expiration Time and the Company |

accepts such Debentures for payment, upon the terms and subject to the conditions of the applicable Offer, the Company will pay such Holder the applicable Consideration plus Accrued Interest for such Debentures on the Payment Date.

| | |
|---|--|
| Payment Date | The Payment Date for each Offer will be promptly after the applicable Expiration Time. It is expected that the Payment Date for each Offer will be one business day after the applicable Expiration Time. See "Acceptance for Payment and Payment". |
| Expiration Time | Each Offer will expire at 12:00 midnight, New York City time, on September 30, 2010, unless extended by the Company. See "The Offers—Expiration Time; Extension; Amendment; Termination". |
| Withdrawal Rights | Tendered Debentures may be withdrawn by Holders at any time prior to the applicable Expiration Time. In addition, if not previously accepted for payment, tendered Debentures may be withdrawn after the date that is 40 business days after the commencement of the Offers. See "Procedures for Tendering and Withdrawing Debentures—Withdrawal Rights". |
| Conditions to the Offer | Notwithstanding any other provision of each Offer, the Company's obligation to accept for payment, and pay for, any Debentures validly tendered and not validly withdrawn pursuant to such Offer is conditioned on satisfaction of all the conditions applicable to such Offer described herein. The Company expressly reserves the right, in its sole discretion but subject to applicable law, to (i) waive any and all of the conditions of an Offer, other than those dependent upon the receipt of necessary government approvals, prior to the applicable Expiration Time, (ii) extend the Expiration Time of an Offer, (iii) amend the terms of an Offer or (iv) if the conditions to an Offer are not satisfied, terminate such Offer and not accept for payment any Debentures tendered in such Offer. The Company also reserves the right, in its sole discretion, to delay the acceptance for payment for Debentures tendered in each Offer, or to delay the payment for Debentures so accepted, in order to permit any or all conditions of such Offer to be satisfied or waived or to comply in whole or in part with any applicable law, subject in each case, however, to Rules 13e-4 and 14e-1 under the Exchange Act, which require that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer. Neither Offer is conditioned upon the completion of the other Offer or upon the tender of any minimum principal amount of Debentures. See "Conditions to the Offers". |
| Procedures for Tendering and Withdrawing Debentures | Any beneficial owner who holds Debentures in book-entry |

form through DTC (including those who hold through Euroclear Bank S.A./N.V. ("*Euroclear*") and Clearstream, Banking, *société anonyme* ("*Clearstream, Luxembourg*") as DTC Participants) and who desires that the Debentures be tendered should request the beneficial owner's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for the beneficial owner prior to the applicable Expiration Time. See "Procedures for Tendering and Withdrawing Debentures—Debentures Held by Record Holders".

Holders of Debentures who are tendering by book-entry transfer to the Depository's account at DTC must execute the tender through ATOP. DTC Participants that are accepting an Offer must transmit their acceptance to DTC, which will verify the acceptance and execute a book-entry delivery to the Depository's account at DTC. DTC will then send an Agent's Message (as defined herein) to the Depository for its acceptance. Delivery of the Agent's Message by DTC will satisfy the terms of that Offer as to the tender of Debentures. See "Procedures for Tendering and Withdrawing Debentures—Debentures Held Through DTC".

As of the date hereof, all Debentures are held in book-entry form through DTC and unless physical certificates are issued following the date hereof, the tendering procedures for book-entry holdings described above should be followed except for Debentures registered in the name of DTC or its nominees. However, in the event that after the date hereof physical certificates evidencing the Debentures are issued to a Holder other than DTC or its nominee, then any such Holder who desires to tender Debentures pursuant to an Offer and holds physical certificates evidencing such Debentures must complete and sign the related Letter of Transmittal (or a manually signed facsimile thereof) in accordance with the instructions set forth therein, have the signature thereon guaranteed if required by Instruction 2 of the Letter of Transmittal and deliver such manually signed Letter of Transmittal (or such manually signed facsimile), together with the certificates evidencing the Debentures being tendered and any other required documents, to the Depository prior to the applicable Expiration Time. Beneficial owners of Debentures who hold their interests through a nominee or other person are not the Holders of those Debentures and, if they wish such Debentures to be tendered in an Offer, they must arrange for such nominee or other person to effect the tender for them.

Untendered
and/or
Unpurchased
Debentures

Debentures not tendered and/or accepted for payment pursuant to an Offer will remain outstanding. Although the Company has no obligation to do so, the Company may

purchase the untendered Debentures in any lawful manner available to the Company at any time after 10 business days following the Expiration Time. See "Additional Considerations Concerning the Offers".

Acceptance for Payment and Payment Upon the terms and subject to the conditions set forth herein and in the Letter of Transmittal, the Company will, promptly after the applicable Expiration Time, accept for payment any and all outstanding Debentures of the applicable series validly tendered and not validly withdrawn prior to the applicable Expiration Time. If a Holder validly tenders and does not validly withdraw its Debentures prior to the applicable Expiration Time and the Company accepts such Debentures for payment, upon the terms and subject to the conditions of such Offer, the Company will pay the applicable Consideration and Accrued Interest for such Debentures on the Payment Date.

Payments for Debentures accepted for payment will be made on the Payment Date by the deposit of immediately available funds by the Company with the Depositary or, upon the Depositary's instructions, DTC. The Depositary and/or DTC will act as agents for the tendering Holders for the purpose of receiving payments from the Company and transmitting such payments to such Holders. Any Debentures validly tendered and accepted for payment pursuant to an Offer will be cancelled. Any Debentures tendered but not accepted for payment pursuant to an Offer will be returned to the Holders promptly after the applicable Expiration Time. See "Acceptance for Payment and Payment".

Material U.S. Federal Income Tax Consequences

For a discussion of material U.S. federal income tax consequences relating to the Offers, see "Material U.S. Federal Income Tax Consequences".

Dealer Manager

Goldman, Sachs & Co.

Depositary

Global Bondholder Services Corporation.

Information Agent

Global Bondholder Services Corporation.

ABOUT THE COMPANY

The Company is a fully-integrated real estate investment trust organized under the laws of the State of Maryland. The Company conducts its business, and substantially all of its interests in properties are held by, the Partnership. The Company is the sole general partner of, and owned approximately 92.5% of the common limited partnership interest in, the Partnership as of June 30, 2010.

As of June 30, 2010, the Company, through the Partnership, owned directly or indirectly:

- *Office Properties:*
 - all or portions of 28 office properties aggregating approximately 16.2 million square feet in the New York City metropolitan area (primarily Manhattan);
 - all or portions of 87 office properties aggregating 18.6 million square feet in the Washington, DC / Northern Virginia areas;
 - a 70% controlling interest in 555 California Street, a three-building complex aggregating 1.8 million square feet in San Francisco's financial district;
- *Retail Properties:*
 - 164 retail properties in 21 states, Washington, DC and Puerto Rico aggregating approximately 22.8 million square feet, including 3.7 million square feet owned by tenants on land leased from us;
- *Merchandise Mart Properties:*
 - eight properties in five states aggregating approximately 8.9 million square feet of showroom and office space, including the 3.5 million square foot Merchandise Mart in Chicago;
- *Toys "R" Us, Inc.:*
 - a 32.7% interest in Toys "R" Us, Inc. which owns and/or operates 1,565 stores worldwide, including 848 stores in the United States and 717 stores internationally;
- *Other Real Estate Investments:*
 - 32.4% of the common stock of Alexander's, Inc. (NYSE: ALX), which has seven properties in the greater New York metropolitan area;
 - the Hotel Pennsylvania in New York City, consisting of a hotel portion containing 1.0 million square feet with 1,700 rooms and a commercial portion containing 400,000 square feet of retail and office space;
 - mezzanine loans to entities that have significant real estate assets; and
 - interests in other real estate, including interests in office, industrial and retail properties net leased to major corporations; six dry warehouse/industrial properties in New Jersey containing approximately 1.2 million square feet; and other investments and marketable securities.

The Company's principal executive offices are located at 888 Seventh Avenue, New York, New York 10019, and its telephone number is (212) 894-7000.

THE OFFERS

Introduction

The Company hereby offers, upon the terms and subject to the conditions set forth in this Offer to Purchase and the Letter of Transmittal, to purchase for cash any and all of the Debentures that are validly tendered and not validly withdrawn prior to the applicable Expiration Time for the applicable Consideration set forth above under "Summary—Consideration; Accrued Interest" per \$1,000 principal amount of the Debentures so purchased, plus Accrued Interest on such Debentures, if any.

The Debentures are fully and unconditionally guaranteed by the Partnership as to all payments due on the Debentures whether at their stated maturity date, by acceleration, redemption, repayment or otherwise in accordance with the terms of such guarantee and the indenture. The guarantee is not separable from the Debentures and no separate consideration was paid to the Partnership by the initial purchasers of the Debentures for such guarantee. Accordingly, any Debentures validly tendered and not validly withdrawn and accepted for purchase by the Company will result in the tendering of the related guarantee and its cancellation for no additional consideration and all references to the Debentures are deemed to include references to the guarantees.

Upon the terms and subject to the satisfaction or waiver of all conditions, other than, in the case of any waiver, those dependent upon the receipt of necessary government approvals, set forth herein and in the Letter of Transmittal, the Company will, promptly after the applicable Expiration Time, accept for payment any and all Debentures validly tendered and not validly withdrawn prior to such Expiration Time. If a Holder validly tenders its Debentures prior to the applicable Expiration Time and does not validly withdraw its Debentures prior to the applicable Expiration Time and the Company accepts such Debentures for payment, upon the terms and subject to the conditions of the applicable Offer, the Company will pay the applicable Consideration plus Accrued Interest for such Debentures on the Payment Date.

Debentures accepted for payment pursuant to an Offer will be accepted only in principal amounts of \$1,000 or an integral multiple thereof.

Consideration; Accrued Interest

The Consideration for the applicable series of Debentures accepted for payment will be paid on the Payment Date, which will be promptly after the Expiration Time. It is expected that the Payment Date will be one business day after the applicable Expiration Time. Such payments will be made by the deposit of immediately available funds by the Company with the Depositary or, upon its instructions, DTC. The Depositary and/or DTC will act as agents for the tendering Holders for the purpose of receiving payments from the Company and transmitting such payments to such Holders. See "Acceptance for Payment and Payment".

Tenders of Debentures pursuant to an Offer may be validly withdrawn at any time prior to the applicable Expiration Time by following the procedures described herein. In addition, if not previously accepted for payment, tendered Debentures may be withdrawn after the date that is 40 business days after the commencement of the Offers. If Holders validly withdraw previously tendered Debentures, such Holders will not receive the applicable Consideration, unless such Debentures are validly retendered and not again validly withdrawn prior to the applicable Expiration Time (and the Company accepts the Debentures for payment, upon the terms and subject to the conditions of the Offers).

Holders whose Debentures are accepted for payment pursuant to an Offer will be entitled to receive Accrued Interest on those Debentures. Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Debentures.

Expiration Time; Extension; Amendment; Termination

The term "*Expiration Time*" with respect to an Offer means 12:00 midnight, New York City time, on September 30, 2010 unless and until the Company shall, in its sole discretion, have extended this period with respect to that Offer, in which event the term "*Expiration Time*" shall mean the new time and date as determined by the Company. The Company may extend the Expiration Time for any purpose, including to permit the satisfaction or waiver of all conditions to an Offer or for any other reason. In order to extend the Expiration Time, the Company will notify the Depository and will make a public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Time. Any such announcement will state that the Company is extending an Offer for a specified period or on a daily basis. Without limiting the manner in which the Company may choose to make a public announcement of any extension of an Offer, the Company will not, unless required by law, have any obligation to publish, advertise or otherwise communicate any such public announcement, other than issuing a timely press release.

The Company's obligation to accept for payment, and pay for, any Debentures validly tendered and not validly withdrawn prior to the applicable Expiration Time is conditioned on satisfaction of all the conditions of the applicable Offer described herein. See "Conditions to the Offers".

The Company expressly reserves the right, in its sole discretion but subject to applicable law, to (i) waive any and all of the conditions of an Offer, other than those dependent upon the receipt of necessary government approvals, prior to the applicable Expiration Time, (ii) extend the Expiration Time of an Offer, (iii) amend the terms of an Offer or (iv) if the conditions to an Offer are not satisfied, terminate such Offer and not accept for payment any Debentures tendered in such Offer. Any extension, amendment or termination will be followed as promptly as practicable by a public announcement thereof. Without limiting the manner in which the Company may choose to make such announcement, the Company shall not, unless required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by issuing a press release.

If the Company extends an Offer or delays its acceptance for payment, or its payment, for any Debentures tendered in such Offer for any reason, then, without prejudice to the Company's rights under that Offer, the Depository may retain tendered Debentures on behalf of the Company. However, the ability of the Company to delay acceptance for payment, or payment, for Debentures that are validly tendered and not withdrawn prior to the applicable Expiration Time is limited by Rules 13e-4 and 14e-1(c) under the Exchange Act, which require that an offeror pay the consideration offered or return the securities deposited by or on behalf of Holders promptly after the termination or withdrawal of a tender offer.

If the Company makes a material change in the terms and conditions of an Offer or the information concerning such Offer, the Company will disseminate additional offering materials and extend that Offer to the extent required by law, including Rule 13e-4 under the Exchange Act.

Purpose of the Transaction

The purpose of the Offers is to repurchase Debentures in order to reduce the amount of the Company's outstanding indebtedness and the associated interest expense. Any Debentures we purchase in the Offers will be cancelled.

Source and Amount of Funds

We expect that we will need approximately \$412.5 million to purchase the Debentures pursuant to the Offers (not including Accrued Interest and expenses related to the Offers), assuming all outstanding Debentures are validly tendered and accepted for payment. The Company intends to fund its purchases of Debentures in the Offers from its available cash paid to the Company by the Partnership in satisfaction of the Partnership's obligations to us.

PROCEDURES FOR TENDERING AND WITHDRAWING DEBENTURES

The tender of Debentures pursuant to the Offers and in accordance with the procedures described below will constitute a valid tender of Debentures. If a Holder validly tenders its Debentures prior to the applicable Expiration Time and does not validly withdraw its Debentures prior to the applicable Expiration Time and the Company accepts such Debentures for payment, upon the terms and subject to the conditions of the Offers, the Company will pay such Holder the applicable Consideration plus Accrued Interest for such Debentures on the Payment Date. Any Debentures tendered and validly withdrawn prior to the applicable Expiration Time will be deemed not to have been validly tendered.

Tendering Debentures

The tender of Debentures pursuant to any of the procedures described in this Offer to Purchase and set forth in the Letter of Transmittal will constitute a binding agreement between the tendering Holder and the Company upon the terms and subject to the conditions of the Offers. Such agreement will be governed by, and construed in accordance with, the laws of the State of New York. The valid tender of Debentures will constitute the agreement of the Holder to deliver good and marketable title to all tendered Debentures, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind.

UNLESS THE DEBENTURES BEING TENDERED ARE DEPOSITED BY THE HOLDER WITH THE DEPOSITARY PRIOR TO THE APPLICABLE EXPIRATION TIME (ACCOMPANIED, TO THE EXTENT NECESSARY, BY A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL), THE COMPANY MAY, AT ITS OPTION, REJECT SUCH TENDER. PAYMENT FOR DEBENTURES WILL BE MADE ONLY AGAINST DEPOSIT OF VALIDLY TENDERED DEBENTURES AND DELIVERY OF ANY REQUIRED DOCUMENTS.

Only registered Holders of Debentures are authorized to tender certificated Debentures pursuant to the Offers.

To properly tender Debentures or cause Debentures to be tendered, the following procedures must be followed:

Debentures Held Through DTC

With regard to Debentures held in book-entry form through DTC, DTC or its nominee is the sole registered owner—and thus the sole Holder—of those Debentures. Beneficial owners of Debentures held through a participant (a "*DTC Participant*") of DTC (*i.e.*, a custodian bank, depositary, broker, dealer, trust company or other nominee) are not Holders of the Debentures, and any such beneficial owner that wishes its Debentures to be tendered in an Offer must instruct the DTC Participant through which its Debentures are held to cause its Debentures to be tendered and delivered to the Depositary in accordance with DTC's ATOP procedures as described in this Offer to Purchase. Beneficial owners and DTC Participants desiring that Debentures be tendered on the day on which the applicable Expiration Time is to occur should be aware that they must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC on such day.

Clearstream, Luxembourg and Euroclear are DTC Participants. Beneficial owners who hold the Debentures through Euroclear and Clearstream, Luxembourg must follow DTC's procedures for tender and delivery of the Debentures. Euroclear and Clearstream, Luxembourg may not be open for business on days when banks, brokers and other institutions are open for business in the United States. For this reason, and because of time-zone differences, investors who hold interests in the Debentures through these systems and wish to have the Debentures tendered may find that the transaction will not be effected when requested and perhaps not until the next business day in Luxembourg or Brussels, as applicable. Thus, those who hold interests through Clearstream, Luxembourg or Euroclear and wish to have Debentures tendered prior to the applicable Expiration Time must take into consideration differences in business days and time-zones so as to allow sufficient time to have the tenders effected.

The Depository and DTC have confirmed that the Offers are eligible for ATOP. Pursuant to an authorization given by DTC to DTC Participants, each DTC Participant that holds Debentures through DTC and chooses to accept an Offer must transmit its acceptance through ATOP, and DTC will then edit and verify the acceptance, execute a book-entry delivery to the Depository's account at DTC and send an Agent's Message (as defined below) to the Depository for its acceptance. The Depository will (promptly after the date of this Offer to Purchase) establish accounts at DTC for purposes of the Offers with respect to Debentures held through DTC, and any financial institution that is a DTC Participant may make book-entry delivery of Debentures into the Depository's account through ATOP. However, although delivery of the Debentures may be effected through book-entry transfer into the Depository's account through ATOP, an Agent's Message in connection with such book-entry transfer and any other required documents must be, in any case, transmitted to and received by the Depository at its address set forth on the back cover of this Offer to Purchase prior to the applicable Expiration Time. Delivery of documents to DTC, the Company, the Partnership or the Dealer Manager does not constitute delivery to the Depository. The confirmation of a book-entry transfer into the Depository's account at DTC as described above is referred to herein as a "*Book-Entry Confirmation*".

The term "*Agent's Message*" means a message transmitted by DTC to, and received by, the Depository and forming a part of the Book-Entry Confirmation, which states that DTC has received an express acknowledgment from each DTC Participant tendering through ATOP that such DTC Participant has received a Letter of Transmittal and agrees to be bound by the terms of the Letter of Transmittal and that the Company may enforce such agreement against such DTC Participant.

All Debentures currently held through DTC have been issued in the form of global notes registered in the name of Cede & Co., DTC's nominee (the "*Global Debentures*"). At or as of the close of business on the second business day after the applicable Expiration Time, the aggregate principal amount of the Global Debentures will be reduced to represent the aggregate principal amount of the Debentures, if any, held through DTC and not tendered pursuant to the Offers.

Debentures Held by Record Holders

As of the date hereof, all Debentures are held in book-entry form through DTC and unless physical certificates are issued following the date hereof, the tendering procedures for book-entry holdings described above should be followed except for Debentures registered in the name of DTC or its nominees. However, in the event that after the date hereof physical certificates evidencing the Debentures are issued to a Holder other than DTC or its nominee, then any such Holder of the Debentures must complete and sign the Letter of Transmittal, and deliver such Letter of Transmittal and any other documents required by the Letter of Transmittal, together with certificate(s) representing all such tendered Debentures, to the Depository at its address set forth on the back cover of this Offer to Purchase prior to the applicable Expiration Time.

BENEFICIAL OWNERS OF DEBENTURES—I.E., THOSE WHO HOLD INTERESTS IN THE DEBENTURES THROUGH A CUSTODIAN BANK, DEPOSITARY, BROKER, DEALER, TRUST COMPANY OR OTHER NOMINEE OR THROUGH DTC—ARE NOT HOLDERS OF THEIR DEBENTURES; ONLY THE NOMINEES OF THOSE PERSONS (OR DTC) IN WHOSE NAME THE DEBENTURES ARE REGISTERED ON THE COMPANY'S REGISTER OF DEBENTURES ARE THE HOLDERS OF THE DEBENTURES AND MAY TENDER THE DEBENTURES IN THE OFFERS.

All signatures on the Letter of Transmittal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the NYSE Medallion Signature Program or the Stock Exchange Medallion Program (each, an "*Eligible Institution*"); *provided, however*, that signatures on the Letter of Transmittal need not be guaranteed if such Debentures are tendered for the account of an Eligible Institution. See Instruction 2 of the Letter of Transmittal. If a Letter of Transmittal or any Debenture is signed by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, such person must so

indicate when signing, and proper evidence satisfactory to the Company of the authority of such person so to act must be submitted.

Lost or Missing Certificates

If a Holder desires to tender Debentures pursuant to the Offers, but the certificates representing such Debentures have been mutilated, lost, stolen or destroyed, such Holder should contact the Depositary for further instructions at the address or telephone number set forth on the back cover of this Offer to Purchase. See Instruction 10 of the Letter of Transmittal.

Backup U.S. Federal Income Tax Withholding

Under the "backup withholding" provisions of U.S. federal income tax law, unless a beneficial owner, or such beneficial owner's assignee, satisfies the conditions described in Instruction 8 of the Letter of Transmittal or is otherwise exempt, the aggregate applicable Consideration and Accrued Interest may be subject to backup withholding at a rate of 28%. To prevent backup withholding, each U.S. Holder (as defined below in "Material U.S. Federal Income Tax Consequences") should complete and sign the Substitute Form W-9 provided in the Letter of Transmittal. Each Non-U.S. Holder (as defined below in "Material U.S. Federal Income Tax Consequences") must submit the appropriate completed Internal Revenue Service ("IRS") Form W-8 (generally Form W-8BEN for a Non-U.S. Holder) to avoid backup withholding. See Instruction 8 of the Letter of Transmittal.

Effect of Letter of Transmittal

Subject to, and effective upon, the acceptance for payment of, and payment for, the Debentures tendered thereby, by executing and delivering a Letter of Transmittal a tendering Holder of Debentures (i) irrevocably sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all the Debentures tendered thereby, (ii) waives any and all rights with respect to such Debentures (including, without limitation, any existing or past defaults and their consequences in respect of such Debentures and the indenture under which the Debentures were issued), (iii) releases and discharges the Company and the Partnership from any and all claims such Holder may have now, or may have in the future arising out of, or related to, such Debentures, including, without limitation, the Partnership's guarantee of the Debentures, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Debentures, to convert the Debentures into cash or or a combination of cash and the Company's common shares of beneficial interest, per value \$0.04 per share ("*Common Shares*"), to participate in any redemption of such Debentures or be entitled to any of the benefits under the indenture under which the Debentures were issued; and (iv) irrevocably constitutes and appoints the Depositary as the true and lawful agent and attorney-in-fact of such Holder with respect to any such tendered Debentures (with full knowledge that the Depositary also acts as the agent of the Company) with respect to such Debentures, with full power of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (a) deliver certificates representing such Debentures, or transfer ownership of such Debentures on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Company, (b) present such Debentures for transfer on the relevant security register, (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Debentures (except that the Depositary will have no rights to, or control over, funds from the Company, except as agent for the tendering Holders, for the applicable Consideration and Accrued Interest for any tendered Debentures that are purchased by the Company) and (d) deliver to the Company the Letter of Transmittal, all upon the terms and subject to the conditions of the Offers.

Determination of Validity

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of Debentures pursuant to the procedures described in this Offer to Purchase and the Letter of Transmittal and the form and validity of all documents will be determined by the Company in its sole discretion. The Company reserves the absolute right to reject any or all tenders that are not in proper form or the acceptance of or payment for which may, upon the advice of counsel for the Company, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offers, other than those dependent upon the receipt of necessary government approvals, and any defect or irregularity in the tender of any particular Debentures. Any determination by the Company as to the validity, form, eligibility and acceptance of Debentures for payment, or any interpretation by the Company as to the terms and conditions of the Offers, is subject to applicable law and, if challenged by Holders or otherwise, to the judgment of a court of competent jurisdiction. The Company is not obligated and does not intend to accept any alternative, conditional or contingent tenders. Unless waived, any irregularities in connection with tenders must be cured within such time as the Company shall determine. None of the Company, the Partnership or any of their affiliates or assigns, the Depositary, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in such tenders or will incur any liability to a Holder for failure to give such notification. Tenders of Debentures will not be deemed to have been made until such irregularities have been cured or waived. Any Debentures received by the Depositary that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the Depositary to the tendering Holders, unless otherwise provided in the Letter of Transmittal, as promptly as practical following the Expiration Time.

LETTERS OF TRANSMITTAL AND DEBENTURES MUST BE SENT ONLY TO THE DEPOSITARY. DO NOT SEND LETTERS OF TRANSMITTAL OR DEBENTURES TO THE COMPANY, THE PARTNERSHIP, THE DEALER MANAGER OR THE INFORMATION AGENT.

THE METHOD OF DELIVERY OF DEBENTURES AND LETTERS OF TRANSMITTAL, ANY REQUIRED SIGNATURE GUARANTEES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC AND ANY ACCEPTANCE THROUGH ATOP, IS AT THE ELECTION AND RISK OF THE PERSONS TENDERING AND DELIVERING LETTERS OF TRANSMITTAL AND, EXCEPT AS OTHERWISE PROVIDED IN THE LETTER OF TRANSMITTAL, DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, IT IS SUGGESTED THAT THE HOLDER USE PROPERLY INSURED, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, AND THAT THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION TIME TO PERMIT DELIVERY TO THE DEPOSITARY PRIOR TO THE APPLICABLE EXPIRATION TIME.

IF YOU HOLD YOUR DEBENTURES THROUGH A CUSTODIAN BANK, DEPOSITARY, BROKER, DEALER, TRUST COMPANY OR OTHER NOMINEE, YOU SHOULD KEEP IN MIND THAT SUCH ENTITY MAY REQUIRE YOU TO TAKE ACTION WITH RESPECT TO THE OFFERS A NUMBER OF DAYS BEFORE THE APPLICABLE EXPIRATION TIME IN ORDER FOR SUCH ENTITY TO TENDER DEBENTURES ON YOUR BEHALF ON OR PRIOR TO SUCH EXPIRATION TIME. TENDERS NOT COMPLETED BY THE DEPOSITARY PRIOR TO THE EXPIRATION TIME WILL BE DISREGARDED AND OF NO EFFECT.

No Appraisal Rights

No appraisal rights are available to holders of Debentures under applicable law in connection with the Offers.

No Guaranteed Delivery

There are no guaranteed delivery provisions provided for by the Company in connection with the Offers under the terms of this Offer to Purchase or any other related documents. Holders must tender their Debentures in accordance with the procedures set forth above and complete such procedures prior to the applicable Expiration Time in order to be eligible to receive the applicable Consideration.

Withdrawal of Tenders by Holders

Except as otherwise provided herein, tenders of Debentures pursuant to the Offers are irrevocable. Withdrawal of Debentures by Holders may only be accomplished in accordance with the following procedures.

Holders may withdraw Debentures tendered in the Offers at any time prior to the applicable Expiration Time. Thereafter, such tenders may be withdrawn after the 40th business day following the commencement of an Offer, in accordance with Rule 13e-4(f) of the Exchange Act, unless such Debentures have been accepted for payment as provided in this Offer to Purchase. If the Company extends an Offer, is delayed in its acceptance for payment of Debentures or is unable to purchase Debentures validly tendered under such Offer for any reason, then, without prejudice to the Company's rights under that Offer, the Depositary may nevertheless, on the Company's behalf, retain tendered Debentures, and such Debentures may not be withdrawn except to the extent that the Holder is entitled to withdrawal rights described herein.

For a withdrawal of a tender of Debentures to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depositary prior to the applicable Expiration Time, by mail, or hand delivery or by a properly transmitted "Request Message" through ATOP.

Any such notice of withdrawal must (i) specify the name of the person who tendered the Debentures to be withdrawn and the name in which those Debentures are registered (or, if tendered by a book-entry transfer, the name of the participant in DTC whose name appears on the security position listing as the owner of such Debentures), if different from that of the person who deposited the Debentures, (ii) contain the description of the Debentures to be withdrawn, the certificate number or numbers of such Debentures, unless such Debentures were tendered by book-entry delivery, and the aggregate principal amount represented by such Debentures, (iii) unless transmitted through ATOP, be signed by the Holder thereof in the same manner as the original signature on such Holder's Letter of Transmittal, including any required signature guarantee(s), or be accompanied by documents of transfer sufficient to have the applicable Debenture trustee register the transfer of the Debentures into the name of the person withdrawing such Debentures and (iv) if a Letter of Transmittal in relation to the Debentures to be withdrawn was executed by a person other than the registered Holder, be accompanied by a properly completed irrevocable proxy that authorized such person to effect such withdrawal on behalf of such Holder.

The Company will determine, in its sole discretion, all questions as to the form and validity (including time of receipt) of any notice of withdrawal. Any such determination is subject to applicable law and, if challenged by Holders or otherwise, to the judgment of a court of competent jurisdiction. No withdrawal of Debentures shall be deemed to have been validly made until all defects and irregularities have been cured or waived. None of the Company, the Partnership or any of their affiliates or assigns, the Depositary, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification. Withdrawals of tenders of Debentures may not be rescinded, and any Debentures validly withdrawn will be deemed not to have been validly tendered for purposes of an Offer. However, Holders may retender withdrawn Debentures by following one of the procedures for tendering Debentures described herein at any time prior to the applicable Expiration Time.

ACCEPTANCE FOR PAYMENT AND PAYMENT

Upon the terms and subject to the conditions set forth herein and in the Letter of Transmittal, the Company will, promptly after the applicable Expiration Time, accept for payment any and all outstanding Debentures validly tendered (or defectively tendered, if such defect has been waived by the Company) and not validly withdrawn pursuant to an Offer prior to applicable Expiration Time. The Payment Date will be promptly after the Expiration Time. The Payment Date is expected to be one business day after the applicable Expiration Time. Any Debentures so tendered and accepted for payment pursuant to an Offer will be cancelled.

The Company, at its option, may elect to extend an Expiration Time with respect to an Offer to a later date and time announced by the Company, provided that public announcement of that extension will be made not later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Time.

The Company expressly reserves the right, in its sole discretion, to terminate the Offers and not accept for payment any Debentures tendered in the Offers if any of the conditions set forth under "Conditions to the Offers" shall not have been satisfied or waived by the Company or in order to comply in whole or in part with any applicable law. In addition, the Company expressly reserves the right, in its sole discretion, to delay acceptance for payment, or payment, for Debentures tendered in an Offer in order to permit any or all of those conditions to be satisfied or waived or to comply in whole or in part with any applicable law, subject in each case, however, to Rules 13e-4 and 14e-1(c) under the Exchange Act (which require that an offeror pay the consideration offered or return the securities deposited by or on behalf of the holders thereof promptly after the termination or withdrawal of a tender offer). In all cases, payment for Debentures accepted for payment pursuant to an Offer will be made only after timely receipt by the Depositary of certificates representing such Debentures (or confirmation of book-entry transfer of such Debentures), a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof or satisfaction of DTC's ATOP procedures) on or before the applicable Expiration Time, and any other documents required thereby.

Upon the terms and subject to the conditions set forth herein and in the Letter of Transmittal, after the applicable Expiration Time, the Company will be deemed to have accepted for payment, and thereby purchased, all Debentures validly tendered and not validly withdrawn prior to such Expiration Time as, if and when the Company gives written notice to the Depositary of its acceptance for payment of such Debentures. On the Payment Date, the Company will deposit with the Depositary, or upon the Depositary's instructions, DTC, in respect of, and the Depositary or DTC, as the case may be, will thereafter transmit to the Holders of, Debentures accepted for payment, the applicable Consideration and Accrued Interest.

If the Company extends an Offer or delays its acceptance for payment, or payment, for Debentures tendered in such Offer for any reason, then, without prejudice to the Company's rights under that Offer, the Depositary may retain tendered Debentures on behalf of the Company. However, the ability of the Company to delay such acceptance or payment is limited by Rules 13e-4 and 14e-1(c) under the Exchange Act as described above.

The Company reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Debentures tendered pursuant to an Offer, but any such transfer or assignment will not relieve the Company of its obligations under such Offer and will in no way prejudice the rights of a tendering Holder to receive payment for its Debentures validly tendered and accepted for payment pursuant to that Offer.

Holders whose Debentures are accepted for payment pursuant to an Offer will be entitled to any Accrued Interest on those Debentures. **Under no circumstances will any additional interest be payable because of any delay in the transmission of funds to the Holders of purchased Debentures.**

Tendering Holders of Debentures will not be required to pay brokerage commissions or fees of the Dealer Manager, the Information Agent or the Depositary.

If an Offer is terminated or the Debentures are validly withdrawn prior to the applicable Expiration Time, or the Debentures are not accepted for payment, the applicable Consideration will not be paid or become payable. If any tendered Debentures are not purchased pursuant to the Offers for any reason, or certificates are submitted evidencing more Debentures than are tendered, such Debentures not purchased will be returned, without expense, to the tendering Holder (or, in the case of Debentures tendered by book-entry transfer, such Debentures will be credited to the account maintained at DTC from which such Debentures were delivered), unless otherwise requested by such Holder as provided under "Special Issuance/Delivery Instructions" in the Letter of Transmittal, promptly following the applicable Expiration Time or termination of the Offers.

CONDITIONS TO THE OFFERS

Notwithstanding any other provision of the Offers, the Company's obligation to accept for payment, and pay for, any Debentures validly tendered and not validly withdrawn pursuant to the Offers is conditioned on satisfaction of all the conditions to the Offers.

All of the conditions will be deemed to be satisfied unless the Company determines, in its reasonable judgment, that any of the following events has occurred and that, regardless of the circumstances giving rise to the event, such event makes it inadvisable to proceed with the Offers or with acceptance for payment or payment for the Debentures in the Offers:

- in the Company's reasonable judgment, there has been instituted or is pending any action, suit or proceeding by any government or any governmental, regulatory, self-regulatory or administrative authority, tribunal or other body, or by any other person, domestic, foreign or supranational, before any court, authority, tribunal or other body (or any such action, suit or proceeding has been threatened in writing by any such body or person) that directly or indirectly:
 - challenges or seeks to make illegal, or seeks to delay, restrict, prohibit or otherwise affect the consummation of the Offers or the acquisition of some or all of the Debentures pursuant to the Offers; or
 - could materially and adversely affect the business, condition (financial or otherwise), income, operations, property or prospects of the Company and its subsidiaries, taken as a whole, or otherwise materially impair our ability to purchase some or all of the Debentures pursuant to the Offers;
- in the Company's reasonable judgment, any statute, rule, regulation, judgment, order or injunction, including any settlement or the withholding of any approval, has been invoked, proposed, sought, promulgated, enacted, entered, amended, enforced, interpreted or otherwise deemed to apply by any court, government or governmental, regulatory, self-regulatory or administrative authority, tribunal or other body, domestic, foreign or supranational (or any such action has been threatened in writing by any such body), in any manner that directly or indirectly:
 - could make the acceptance for payment, or payment, for some or all of the Debentures illegal or otherwise delay, restrict, prohibit or otherwise affect the consummation of the Offers;
 - could delay or restrict our ability, or render us unable, to accept for payment or pay for some or all of the Debentures to be purchased pursuant to the Offers; or
 - could materially and adversely affect the business, condition (financial or otherwise), income, operations, property or prospects of the Company or its subsidiaries, taken as a whole;
- in the Company's reasonable judgment, there has occurred any of the following:
 - any general suspension of trading in, or limitation on prices for, securities on any United States national securities exchange or in the over-the-counter market;
 - the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory;
 - a material change in United States or any other currency exchange rates or a suspension of or limitation on the markets therefor;

- the commencement of any war, armed hostilities or other international or national calamity, including any act of terrorism, on or after September 2, 2010;
- any material escalation of any war or armed hostilities which had commenced before September 2, 2010;
- any limitation, whether or not mandatory, imposed by any governmental, regulatory, self-regulatory or administrative authority, tribunal or other body, or any other event, that could materially affect the extension of credit by banks or other lending institutions in the United States;
- any change in the general political, market, economic or financial conditions, domestically or internationally, that could materially and adversely affect the business, condition (financial or otherwise), income, operations, property or prospects of the Company and its subsidiaries, taken as a whole, or trading in the Debentures or in the Company's Common Shares;
- any change or changes have occurred in the business, condition (financial or otherwise), income, operations, property or prospects of the Company or any of its subsidiaries that could have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the benefits of the Offers to us or there is an adverse change in the benefits of the Offers to us;
- in the case of any of the foregoing existing at the time of the commencement of an Offer, a material acceleration or worsening thereof; or
- a tender or exchange offer for any or all of the Company's Common Shares, or any merger, acquisition, scheme of arrangement, business combination or other similar transaction with or involving the Company or any of its subsidiaries has been made, proposed or announced by any person or has been publicly disclosed.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company in its sole discretion, regardless of the circumstances giving rise to any such condition and, other than those dependent upon the receipt of necessary government approval, may be waived by the Company in whole or in part, at any time and from time to time, in the sole discretion of the Company, whether or not any other condition of an Offer is also waived, prior to the applicable Expiration Time of such Offer.

The Company expressly reserves the right, in its sole discretion but subject to applicable law, to (i) waive any and all of the conditions of an Offer, other than those dependent upon the receipt of necessary government approvals, prior to the applicable Expiration Time, (ii) extend the Expiration Time of an Offer, (iii) amend the terms of an Offer or (iv) if the conditions to an Offer are not satisfied, terminate such Offer and not accept for payment any Debentures tendered in such Offer. Any extension, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next business day after the last previously scheduled or announced Expiration Time. In the event that the Company extends an Offer, the term "Expiration Time" with respect to such extended Offer shall mean the time and date on which that Offer, as so extended, shall expire. Without limiting the manner in which the Company may choose to make such announcement, the Company shall not, unless required by law, have any obligation to publish, advertise or otherwise communicate any such announcement other than by issuing a press release.

IMPACT OF THE OFFERS ON RIGHTS OF THE HOLDERS OF THE DEBENTURES

The Company issued (i) \$1.00 billion aggregate principal amount of its 2026 Debentures, which are fully and unconditionally guaranteed by the Partnership and (ii) \$1.40 billion aggregate principal amount of its 2027 Debentures, which are fully and unconditionally guaranteed by the Partnership. As of August 31, 2010, there was outstanding \$382,046,000 aggregate principal amount of the 2026 Debentures and \$22,479,000 aggregate principal amount of the 2027 Debentures. If the Company accepts Debentures for payment, upon the terms and subject to the conditions of the Offers, the Company will pay the Holders the applicable Consideration plus any Accrued Interest for all Debentures purchased from them in the Offers, and thereby such Holders will give up certain rights associated with their ownership of such Debentures. Below is a summary of certain rights that such Holders will forgo if such Debentures are purchased in the Offers.

The summary below does not purport to describe all of the terms of the Debentures. Please refer to (i) the Indenture, dated as of November 20, 2006 among the Company, as Issuer, the Partnership, as Guarantor, and The Bank of New York (the "2006 Indenture"), as Trustee, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 1-11954), filed on November 27, 2006 (the "2006 8-K"), (ii) the Form of the 2026 Debentures, filed as Exhibit 4.2 to the 2006 8-K (iii) Form of Guarantee of the Partnership relating to the 2026 Debentures, filed as Exhibit 4.3 to the 2006 8-K, (iv) the Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 2026 Debentures, filed as Exhibit 4.4 to the 2006 8-K, (v) the Form of 2027 Debentures filed as Exhibit 4.2 to the Company's Current Report on Form 8-K (File No. 1-11954), filed on April 2, 2007 (the "2007 8-K"), (vi) the Form of Guarantee of the Partnership relating to the 2027 Debentures filed as Exhibit 4.3 to the 2007 8-K and (vii) the Company's officers' certificate forming a part of the 2006 Indenture and setting forth additional terms of the 2027 Debentures filed as Exhibit 4.4 to the 2007 8-K, for the terms of the Debentures.

Interest

Holders of Debentures purchased in the Offers will forgo regular semi-annual payments of interest accruing on the principal of the Debentures at the rate of 3.625% per annum from and after the Payment Date, with respect to the 2026 Debentures, and 2.85% per annum from and after the Payment Date, with respect to the 2027 Debentures.

Conversion Rights of Holders

Holders of 2026 Debentures purchased in the Offers will forgo the right to elect to convert those 2026 Debentures into cash, or a combination of cash and Common Shares, prior to the close of business on the second business day immediately preceding the maturity date for the 2026 Debentures (scheduled for November 15, 2026) at any time on and after November 15, 2025, and also under the following circumstances: (i) during any period from and including the 11th trading day in a fiscal quarter up to but excluding the 11th trading day of the following quarter, if at any time the closing sale price of the Common Shares is more than 125% of the conversion price per Common Share on the first day of such period for at least 20 trading days in the period of 30 consecutive trading days beginning on the first day of such period, (ii) during the five consecutive trading-day period following any 20 consecutive trading-day period in which the average of the trading prices for the 2026 Debentures was less than 98% of the average closing sale price of Common Shares multiplied by the applicable conversion rate, (iii) if the 2026 Debentures have been called for redemption, at any time prior to the close of business two business days prior to the redemption date, (iv) during prescribed periods upon the occurrence of specified corporate events or (v) if the Common Shares are not listed on a U.S. national securities exchange for 30 consecutive trading days. The initial conversion rate of the 2026 Debentures was 6.5168 Common Shares per \$1,000 principal amount of 2026 Debentures (equivalent to an initial conversion price of approximately \$153.45 per Common Share and currently

approximately \$148.46 per Common Share, which corresponds to a conversion rate of 6.7358 Common Shares per \$1,000 principal amount of 2026 Debentures). The conversion rate for the 2026 Debentures is subject to adjustment in certain events, including in connection with certain mergers, asset sales or similar transactions involving the Company.

Similarly, Holders of 2027 Debentures purchased in the Offers will forgo the right to elect to convert those 2027 Debentures into cash, or a combination of cash and Common Shares, prior to the close of business on the second business day immediately preceding the maturity date for the 2027 Debentures (scheduled for April 1, 2027) at any time on and after April 1, 2026, and also under the same circumstances described above with respect to the 2026 Debentures. The initial conversion rate of the 2027 Debentures was 6.1553 Common Shares per \$1,000 principal amount of 2027 Debentures (equivalent to an initial conversion price of approximately \$162.46 per Common Share and currently approximately \$157.18 per Common Share, which corresponds to a conversion rate of 6.3621 Common Shares per \$1,000 principal amount of 2027 Debentures). The conversion rate for the 2027 Debentures is subject to adjustment in certain events, including in connection with certain mergers, asset sales or similar transactions involving the Company.

Right of Holders to Receive Principal at Maturity

Holders of Debentures purchased in the Offers will forgo the right to receive payment of the full principal amount of those Debentures on the maturity date for the Debentures. The 2026 Debentures and the 2027 Debentures are scheduled to mature on November 15, 2026 and April 1, 2027, respectively, but in each case the maturity is subject to acceleration upon certain events of default.

Debentures purchased in the Offers will be cancelled and that cancellation will result in the extinguishment of the guarantee of the Debentures by the Partnership.

Right of Holders to Require Repurchase by the Company upon a Change of Control

Holders of Debentures purchased in the Offers will forgo the right to require the Company to repurchase all or a portion of those Debentures upon the occurrence of certain changes in control of the Company at any time prior to November 15, 2011, in the case of the 2026 Debentures, and at any time prior to April 1, 2012, in the case of the 2027 Debentures, at a price equal to 100% of the principal amount of the Debentures to be purchased plus accrued and unpaid interest, to, but excluding, the purchase date, subject to certain exceptions.

Right of Holders to Require Repurchase by the Company at Certain Times

Holders of Debentures purchased in the Offers will forgo the right to require the Company to repurchase all or a portion of those Debentures on November 15 in each of 2011, 2016 and 2021, in the case of the 2026 Debentures, and on April 1 in each of 2012, 2017 and 2022, in the case of the 2027 Debentures, for cash equal to 100% of the principal amount of the Debentures to be repurchased plus any accrued and unpaid interest to, but excluding, the repurchase date.

ADDITIONAL CONSIDERATIONS CONCERNING THE OFFERS

The following considerations, in addition to the other information described elsewhere herein or incorporated by reference herein, should be carefully considered by each Holder and owner of Debentures before deciding whether the Debentures should be tendered in the Offers. See "Where You Can Find Additional Information" and "Incorporation of Certain Documents by Reference".

Position of the Company Concerning the Offers

Neither the Company, the Partnership, nor the Company's board of trustees nor the Dealer Manager, Depositary or Information Agent makes any recommendation to any Holder or owner of Debentures as to whether the Holder should tender or refrain from tendering any or all of such Holder's Debentures, and none of them has authorized any person to make any such recommendation. Holders and owners are urged to evaluate carefully all information in this Offer to Purchase, consult their own investment and tax advisors and make their own decisions whether to tender Debentures, and, if so, the principal amount of Debentures to tender.

Tax Treatment of Debentures Purchased in the Offers

The receipt of the applicable Consideration in exchange for the Debentures will be a taxable transaction to U.S. Holders (as defined below). A U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the gross amount of the applicable Consideration, other than Accrued Interest, paid to the U.S. Holder in respect of its tendered Debentures and (ii) the U.S. Holder's adjusted tax basis in its tendered Debentures. Accrued Interest generally will be treated as ordinary income to the extent not previously included in income. Gain realized by a Non-U.S. Holder on the receipt of cash for Debentures generally will not be subject to U.S. federal income or withholding tax, except in certain circumstances as discussed in more detail below. Please see "Material U.S. Federal Income Tax Consequences" for a more detailed discussion.

Limited Trading Market for Debentures Not Purchased in the Offers

The Debentures are not listed on any national or regional securities exchange or quoted on any automated quotation system. To our knowledge, the Debentures are traded infrequently in transactions arranged through brokers, and reliable market quotations for the Debentures are not available. To the extent that Debentures are tendered and accepted for payment pursuant to the Offers, the trading market for Debentures that remain outstanding is likely to be more limited. In addition, a debt security with a smaller outstanding principal amount available for trading (a smaller "float") may command a lower price than would a comparable debt security with a larger float. Thus, the market price for Debentures that are not tendered and accepted for payment pursuant to the Offers may be affected adversely to the extent that the Offers reduce the float for such Debentures. There is no assurance that an active market in the Debentures will exist or as to the prices at which the Debentures may trade after consummation of the Offers.

Substantial Existing Indebtedness

The Company has substantial existing indebtedness. As of June 30, 2010, the Company had an aggregate of approximately \$404,850,000 of total indebtedness, constituting senior debt of the Company on an unconsolidated basis. As of June 30, 2010, the Partnership had an aggregate of approximately \$2,269,619,000 of total indebtedness, constituting senior debt of the Partnership on an unconsolidated basis, which amount includes \$404,850,000 payable to the Company. While the Company will continue to have substantial indebtedness following the consummation of the Offers, the aggregate amount of its outstanding indebtedness with maturities in 2026 and 2027 will be reduced as a result of consummation of such Offer. The amount of the Company's indebtedness and restrictions contained in its other

outstanding indebtedness may limit its ability to effect future financings in the event the Company should deem it necessary or desirable to raise additional capital. Further, there can be no assurance that the Company will have sufficient earnings, access to liquidity or cash flow in the future to meet its debt service obligations under the Debentures that remain outstanding following consummation of the Offers. For additional information about the Company's indebtedness, capitalization and financial condition, see its Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 2009, its Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010 and June 30, 2010 and the other information incorporated by reference herein. See "Incorporation of Documents by Reference."

Treatment of Debentures Not Purchased in the Offers

Debentures not tendered and/or accepted for payment in the Offers will remain outstanding immediately following the completion of the Offers. The terms and conditions governing the Debentures, including the covenants and other protective provisions contained in the 2006 Indenture, which governs the Debentures, will remain unchanged immediately following the completion of the Offers. No amendment to the 2006 Indenture is being sought. From time to time after the tenth business day following the applicable Expiration Time or other date of termination of an Offer, we or our affiliates may acquire Debentures that remain outstanding through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the price to be paid pursuant to such Offer and could be for cash or other consideration. Alternatively, we may, subject to certain conditions, redeem any or all of the Debentures not purchased pursuant to the Offers at any time that we are permitted to do so under the terms of the Debentures. There can be no assurance as to which, if any, of these alternatives (or combinations thereof) we or our subsidiaries will choose to pursue in the future.

MARKET INFORMATION ABOUT THE DEBENTURES AND THE COMMON SHARES

There is no established reporting system or trading market for trading in the Debentures. To the extent that the Debentures are traded, prices of the Debentures may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. To our knowledge, the Debentures are traded infrequently in transactions arranged through brokers, and reliable market quotations for the Debentures are not available.

The Company's Common Shares are listed on the New York Stock Exchange under the symbol "VNO". The following table sets forth, for the periods indicated, the high and low sales prices in U.S. dollars for our common shares as reported by the Consolidated Tape Association.

| <u>Year Ended December 31, 2008</u> | <u>High</u> | <u>Low</u> | <u>Closing</u> |
|-------------------------------------|-------------|------------|----------------|
| First Quarter | \$ 94.54 | \$ 76.64 | \$ 86.21 |
| Second Quarter | 99.70 | 85.94 | 88.00 |
| Third Quarter | 108.15 | 83.00 | 90.95 |
| Fourth Quarter | 90.65 | 36.66 | 60.35 |

| <u>Year Ended December 31, 2009</u> | <u>High</u> | <u>Low</u> | <u>Closing</u> |
|-------------------------------------|-------------|------------|----------------|
| First Quarter | \$ 62.33 | \$ 27.01 | \$ 33.24 |
| Second Quarter | 54.00 | 32.00 | 45.03 |
| Third Quarter | 70.23 | 39.65 | 64.41 |
| Fourth Quarter | 73.96 | 56.54 | 69.94 |

| <u>Year Ended December 31, 2010</u> | <u>High</u> | <u>Low</u> | <u>Closing</u> |
|--------------------------------------|-------------|------------|----------------|
| First Quarter | \$ 78.40 | \$ 61.25 | \$ 75.70 |
| Second Quarter | 86.79 | 70.06 | 72.95 |
| Third Quarter (through August, 2010) | 86.57 | 68.59 | 81.06 |

On August 31, 2010, the last reported sale price of our Common Shares on the New York Stock Exchange was \$81.06 per share. We had 182,601,039 Common Shares, outstanding as of August 31, 2010.

HOLDERS ARE URGED TO OBTAIN CURRENT MARKET QUOTATIONS FOR OUR COMMON SHARES AND, TO THE EXTENT AVAILABLE, THE DEBENTURES, PRIOR TO MAKING ANY DECISION WITH RESPECT TO THE OFFERS.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

This section describes certain United States federal income tax consequences of the tender of the Debentures pursuant to the Offers. It applies to you only if you hold the Debentures as capital assets for tax purposes. The following discussion is not exhaustive of all possible tax considerations and does not address any alternative minimum tax consequences.

This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a United States expatriate,
- a person that owns Debentures that are a hedge or that are hedged against interest rate risks,
- a person that owns Debentures as part of a straddle or conversion transaction for tax purposes, or
- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

If a partnership tenders the Debentures, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Debentures should consult its tax advisor with regard to the United States federal income tax treatment of a tender of Debentures pursuant to this Offer.

Please consult your own tax advisor concerning the consequences of a tender of Debentures in your particular circumstances under the Code and the laws of any other taxing jurisdiction.

You are a United States holder (a "U.S. Holder") if you are a beneficial owner of Debentures and you are:

- an individual citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to United States federal income tax regardless of its source, or
- a trust if (i) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

You are a non-United States holder (a "Non-U.S. Holder") if you are a beneficial owner of Debentures that is an individual, corporation, estate or trust that is not a U.S. Holder.

Tender of Debentures Pursuant to the Offers

Consequences to U.S. Holders

A U.S. Holder who receives cash for Debentures pursuant to the Offers will recognize gain or loss equal to the difference between (i) the amount of cash received (less any amounts attributable to accrued and unpaid interest, which will be included in income as interest income for U.S. federal income tax purposes to the extent not previously included) and (ii) the U.S. Holder's adjusted tax basis in the Debentures. A U.S. Holder's adjusted tax basis in a Debenture generally will be the cost of the Debenture to such U.S. Holder, (a) increased by any original issue discount ("OID") previously included in income, and market discount (if any) included in income with respect to the Debenture pursuant to an election to include market discount in gross income currently as it accrues, and (b) decreased (but not below zero) by any amortizable bond premium (generally, the excess, if any, of the tax basis of the Debenture to a U.S. Holder immediately after its acquisition over the principal amount of the Debenture payable at maturity) which the U.S. Holder has previously deducted. Except as discussed below with respect to market discount, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the Debenture has been held for more than one year. Net long-term capital gain recognized by an individual U.S. Holder generally is subject to tax at a maximum rate of 15%. The ability of U.S. Holders to deduct capital losses is subject to limitations under the Code.

A U.S. Holder who acquired a Debenture at a "market discount" (subject to a statutorily-defined de minimis exception) generally will be required to treat any gain on the tender thereof pursuant to the Offers as ordinary income rather than capital gain to the extent of the accrued market discount, unless an election was made to include market discount in income as it accrued for U.S. federal income tax purposes. Market discount at the time a Debenture is purchased generally equals the excess of the adjusted issue price of the Debenture over a U.S. Holder's initial tax basis in the Debenture.

Consequences to Non-U.S. Holders

Any gain realized by a Non-U.S. Holder on the receipt of cash for Debentures generally will not be subject to U.S. federal income or withholding tax unless (i) such gain is effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (and, if certain tax treaties apply, is attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder), (ii) in the case of an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the Offers and certain other conditions are met or (iii) the Debentures constitute a "U.S. real property interest" within the meaning of the Foreign Investment in Real Property Tax Act ("FIRPTA").

If the Debentures are treated as U.S. real property interests any gain you recognize upon the sale or other disposition of the Debentures will be subject to net income tax in the United States under FIRPTA, and the purchaser would be required to withhold and pay to the IRS ten percent of the amount paid in exchange for the Debentures in respect of such tax. As a general matter, your Debentures should not constitute U.S. real property interests so long as the Company is a domestically-controlled REIT, defined generally as a REIT less than fifty percent in value of whose stock is and was held directly or indirectly by foreign persons at all times during a specified testing period. The Company believes that it is and will continue to be a domestically-controlled REIT and, therefore, that FIRPTA will not apply to a sale or other disposition of the Debentures. Accordingly, the Company does not intend to withhold FIRPTA taxes from amounts payable upon tender of the Debentures. Even if the Company does not qualify as a domestically-controlled REIT, your Debentures generally will not constitute U.S. real property interests unless (1) on the date you acquire your Debentures your Debentures have a fair market value greater than five percent of the Company's common stock or (2) if the Debentures are "regularly traded" on an "established securities market" within the meaning

of applicable Treasury regulations, at any time during the five-year period ending on the date you dispose of your Debentures, you owned more than five percent of the total fair market value of the outstanding Debentures. It is not clear whether the Company's common shares owned by you or ownership of both 2027 Debentures and 2026 Debentures will affect the calculation of the percentages described above. You are urged to consult your own tax advisor as to whether you will be subject to tax under FIRPTA upon a disposition of your Debentures.

Any amounts paid to a Non-U.S. Holder that are attributable to accrued and unpaid interest or OID on the Debentures generally will not be subject to U.S. federal withholding tax, provided (i) the Non-U.S. Holder does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of the Company's voting stock; (ii) the Non-U.S. Holder is not, for U.S. federal income tax purposes, a controlled foreign corporation related, directly or indirectly, to the Company through stock ownership; and (iii) certain certification requirements (summarized below) are met (the "portfolio interest exemption"). If a Non-U.S. Holder does not qualify for the portfolio interest exemption, any amounts attributable to accrued and unpaid interest or OID generally will be subject to U.S. federal withholding tax at a 30% rate (or such lower rate provided by an applicable treaty), unless such amounts are effectively connected with the conduct of a trade or business in the United States by such Non-U.S. Holder (and, if certain tax treaties apply, are attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder).

If gain on the receipt of cash for Debentures and amounts attributable to any accrued and unpaid interest or OID on the Debentures are effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Holder (and, if certain tax treaties apply, are attributable to a U.S. permanent establishment maintained by the Non-U.S. Holder), the Non-U.S. Holder will be exempt from U.S. withholding tax (provided the Non-U.S. Holder complies with the certification procedures described in the following paragraph) but will be subject to regular U.S. federal income tax on such amounts in the manner described above with respect to U.S. Holders. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

In order for amounts attributable to accrued and unpaid interest or OID on the Debentures to qualify for the portfolio interest exemption or, as the case may be, the exception from U.S. withholding tax for income effectively connected with the conduct of a trade or business in the United States, one of the following requirements must be met at the time payment is made: (i) the withholding agent holds a valid Form W-8BEN or Form W-8ECI, as the case may be, from the Non-U.S. Holder and can reliably associate the payment with the Form W-8BEN or W-8ECI, or (ii) the Non-U.S. Holder holds the Debentures through certain qualified foreign intermediaries and satisfies the certification requirements of applicable Treasury regulations.

Information Reporting and Backup Withholding

In general, in the case of a U.S. Holder, other than certain exempt Holders, the Company and other payors are required to report to the IRS the gross proceeds from the tender of the Debentures pursuant to the Offers. Additionally, backup withholding generally will apply to payments of gross proceeds from the tender of the Debentures pursuant to the Offers if a U.S. Holder that is not otherwise exempt from backup withholding (i) fails to provide an accurate taxpayer identification number and certify that the taxpayer identification number is correct, (ii) fails to certify that it is not subject to backup withholding, or (iii) otherwise fails to comply with applicable backup withholding rules. If applicable, backup withholding will be imposed at a rate of 28%.

In the case of a Non-U.S. Holder, information returns will be filed with the IRS in connection with the payment of accrued interest or OID on the Debentures. Backup withholding and additional

information reporting will not apply to payments made to a Non-U.S. Holder pursuant to the Offers if the Non-U.S. Holder provides the required certification that it is not a U.S. person, or the Non-U.S. Holder otherwise establishes an exemption, provided that the payor or withholding agent does not have actual knowledge or reason to know that the Holder is a U.S. person or that the conditions of any exemption are not satisfied.

In addition, payments of the proceeds from the tender of a Debenture by a Non-U.S. Holder to or through a foreign office of a broker or the foreign office of a custodian, nominee, or other dealer acting on behalf of a Non-U.S. Holder generally will not be subject to information reporting or backup withholding. However, if the broker, custodian, nominee, or other dealer is a U.S. person, a controlled foreign corporation for U.S. federal income tax purposes, a foreign partnership that is either engaged in a trade or business within the United States or whose U.S. partners in the aggregate hold more than 50% of the income or capital interest in the partnership, a foreign person 50% or more of whose gross income for a certain period is effectively connected with a trade or business within the United States, or a U.S. branch of a foreign bank or insurance company, information reporting (but not backup withholding) generally will be required with respect to payments made to a Non-U.S. Holder unless the broker, custodian, nominee, or other dealer has documentation of the Non-U.S. Holder's foreign status and the broker, custodian, nominee, or other dealer has no actual knowledge or reason to know to the contrary, or the Non-U.S. Holder otherwise establishes an exemption from information reporting.

Payment of the proceeds from the tender of a Debenture by a Non-U.S. Holder to or through the U.S. office of a broker is subject to information reporting and backup withholding, unless the Non-U.S. Holder certifies as to its non-U.S. person status (and the broker does not have actual knowledge or reason to know to the contrary) or the Non-U.S. Holder otherwise establishes an exemption from information reporting and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

DEALER MANAGER, INFORMATION AGENT AND DEPOSITARY

We have retained Goldman, Sachs & Co. to act as the Dealer Manager in connection with the Offers. In its role as Dealer Manager, Goldman, Sachs & Co. may contact brokers, dealers and similar entities and may provide information regarding the Offers to those that it contacts or persons that contact Goldman, Sachs & Co. Goldman, Sachs & Co. will receive customary compensation for its services. We also have agreed to reimburse Goldman, Sachs & Co. for reasonable out-of-pocket expenses incurred in connection with the Offers, including reasonable fees and expenses of counsel, and to indemnify it against certain liabilities in connection with the Offers, including certain liabilities under the federal securities laws.

Goldman, Sachs & Co. and its affiliates have provided investment banking and commercial services to us in the past for which it has received customary compensation. Goldman, Sachs & Co. or its affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of business.

Goldman, Sachs & Co. and its affiliates may continue to provide various investment and commercial banking services to us in the future, for which we would expect it would receive customary compensation from us. In the ordinary course of its business, including in its trading and brokerage operations and in a fiduciary capacity, the Dealer Manager and its affiliates may hold positions, both long and short, for its own account and for those of its customers, in our securities. Goldman, Sachs & Co. and its affiliates may from time to time hold Debentures and our Common Shares in its proprietary accounts, and, to the extent it owns Debentures in these accounts at the time of the Offers, it may tender these Debentures.

Global Bondholder Services Corporation has been appointed the Information Agent for the Offers. We will pay the Information Agent customary fees for its services and reimburse the Information Agent for its reasonable out-of-pocket expenses in connection therewith. We have also agreed to indemnify the Information Agent for certain liabilities under U.S. federal or state law or otherwise caused by, relating to or arising out of the Offers. Requests for additional copies of documentation may be directed to the Information Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase.

Global Bondholder Services Corporation has also been appointed the Depositary for the Offers. We will pay the Depositary customary fees for its services and reimburse the Depositary for its reasonable out-of-pocket expenses in connection therewith. We have also agreed to indemnify the Depositary for certain liabilities under U.S. federal or state law or otherwise caused by, relating to or arising out of any Offers. All deliveries and correspondence sent to the Depositary should be directed to the address set forth on the back cover of this Offer to Purchase.

SOLICITATION AND EXPENSES

In connection with the Offers, the Company's trustees and officers and its respective affiliates may solicit tenders by use of the mails, personally or by telephone, facsimile, telegram, electronic communication or other similar methods. The Company may, if requested, pay brokerage houses and other custodians, nominees and fiduciaries the customary handling and mailing expenses incurred by them in forwarding copies of this Offer to Purchase and related documents to the beneficial owners of the Debentures and in handling or forwarding tenders of Debentures by their customers.

We will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Dealer Manager and the Information Agent as described above) for soliciting tenders of Debentures pursuant to the Offers. Holders and owners holding Debentures through banks, brokers, dealers, trust companies or other nominees are urged to consult them to determine whether transaction costs may apply if they tender the Debentures through banks, brokers, dealers, trust companies or

other nominees and not directly to the Depositary. We will, however, upon request, reimburse banks, brokers, dealers, trust companies or other nominees for customary mailing and handling expenses incurred by them in forwarding the Offer to Purchase and related materials to the beneficial owners of the Debentures held by them as a nominee or in a fiduciary capacity. No bank, broker, dealer, trust company or other nominees has been authorized to act as our agent or the agent of the Dealer Manager, the Information Agent or the Depositary for purposes of the Offers. None of the Dealer Manager, the Information Agent or the Depositary assumes any responsibility for the accuracy or completeness of the information concerning the Company, or incorporated by reference in this Offer to Purchase or for any failure by the Company to disclose events that may have occurred which may affect the significance or accuracy of such information.

Tendering Holders will not be obligated to pay brokerage fees or commissions to or the fees and expenses of the Dealer Manager, the Information Agent or the Depositary.

MISCELLANEOUS

Securities Ownership

Neither the Company, the Partnership nor any of their majority-owned subsidiaries beneficially own any Debentures. In addition, based on the Company's and the Partnership's records and on information provided to them by the Company's trustees and executive officers, to the Company's and the Partnership's knowledge, none of the trustees or executive officers beneficially owns any Debentures.

Recent Securities Transactions

Except as set forth below, neither the Company, the Partnership nor any of their majority-owned subsidiaries have effected any transactions involving the Debentures during the 60 days prior to the date of this Offer to Purchase. In addition, based on the Company's and the Partnership's records and on information provided to them by the Company's trustees and executive officers, to the Company's and the Partnership's knowledge, none of the trustees or executive officers has effected any transactions involving the Debentures during the 60 days prior to the date of this Offer to Purchase.

2026 Debentures

On August 26, 2010, the Partnership made an open-market purchase of \$10,000,000 in aggregate principal amount of the 2026 Debentures, at a purchase price of \$10,125,000.

Other Material Information

We are not aware of any jurisdiction where the making of the Offers is not in compliance with applicable law. If we become aware of any jurisdiction where the making of the Offers or the acceptance of Debentures pursuant thereto is not in compliance with applicable law, we will make a good faith effort to comply with the applicable law. If, after such good faith effort, we cannot comply with the applicable law, the Offers will not be made to (nor will tenders be accepted from or on behalf of) the Holders of Debentures in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer, the Offers shall be deemed to be made on behalf of us by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are required to file annual, quarterly and current reports, proxy statements and other information with the Commission. You may read and copy any documents filed by us at the Commission's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. Our filings with the Commission are also available to the public through the Commission's Internet site at <http://www.sec.gov> and through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common shares are listed. For further information on obtaining copies of our public filings at the New York Stock Exchange, you should call (212) 656-5060.

The Company has filed with the Commission a Tender Offer Statement on Schedule TO (the "*Schedule TO*"), pursuant to Section 13(e) of the Exchange Act and Rule 13e-4 promulgated thereunder, furnishing certain information with respect to the Offers. The Schedule TO, together with any exhibits or amendments thereto, may be examined and copies may be obtained at the same places and in the same manner as set forth above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company hereby incorporates by reference into this Offer to Purchase the following documents that we have filed with the Commission (together with any other documents that may be incorporated herein by reference as provided herein, the "*Incorporated Documents*"):

- Annual Report on Form 10-K, as amended on Form 10-K/A, for the year ended December 31, 2009 (File No. 1-11954);
- Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010 (File No. 1-11954);
- Quarterly Report on Form 10-Q, as amended on Form 10-Q/A, for the fiscal quarter ended June 30, 2010 (File No. 1-11954); and
- Current Reports on Form 8-K filed on May 17, 2010 and August 4, 2010 (File No. 1-11954).

We are not, however, incorporating any documents or information that we are deemed to furnish and not file in accordance with Commission rules. The information incorporated by reference into this Offer to Purchase is considered to be a part of this Offer to Purchase and should be read with the same care as the Offer to Purchase. Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for the purpose of this Offer to Purchase to the extent that a statement contained herein modifies or supersedes such statement. Any such statement or statements so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offer to Purchase. All information appearing in this Offer to Purchase is qualified in its entirety by the information and financial statements (including notes thereto) appearing in the Incorporated Documents, except to the extent set forth in the immediately preceding sentence. Statements contained in this Offer to Purchase as to the contents of any contract or other document referred to in this Offer to Purchase do not purport to be complete and, where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document. References herein to the Offer to Purchase includes all Incorporated Documents as incorporated herein, unless the context otherwise requires.

Certain sections of this Offer to Purchase are incorporated by reference in, and constitute part of, the Schedule TO filed by the Company with the Commission on September 2, 2010 pursuant to Section 13(e) of the Exchange Act and Rule 13e-4 promulgated thereunder. The sections so incorporated are identified in the Schedule TO.

The Company will provide without charge to each person to whom this Offer to Purchase is delivered, upon written or oral request, copies of any or all documents and reports described above and incorporated by reference into this Offer to Purchase (other than exhibits to such documents, unless such documents are specifically incorporated by reference). Written or telephone requests for such copies should be directed to the Information Agent at the address and telephone numbers set forth on the back cover of this Offer to Purchase.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offer to Purchase and Incorporated Documents constitute forward-looking statements. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this Offer to Purchase or the Incorporated Documents. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. For further discussion of factors that could materially affect the outcome of our forward-looking statements and our future results and financial condition, see "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2009, as amended, and, to the extent applicable, in our subsequent Quarterly Reports on Form 10-Q.

You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this Offer to Purchase or the Incorporated Documents, as applicable. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. You should review the factors and risks we describe in the reports we file from time to time with the Commission. See "Where You Can Find Additional Information" and "Incorporation of Certain Documents by Reference".

The Depositary for the Offers is:

Global Bondholder Services Corporation

*By Regular, Registered or Certified Mail,
By Overnight Courier or By Hand*

By Facsimile
(For Eligible Institutions only)
(212) 430-3775
Attention: Corporate Actions

65 Broadway, Suite 404
New York, New York 10006
Attention: Corporate Actions

Banks and Brokers Call:
(212) 430-3774
All Others Call Toll Free:
(866) 470-3900

Any questions or requests for assistance may be directed to the Dealer Manager or the Information Agent at the addresses and telephone numbers set forth below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent. Requests for copies of the Incorporated Documents may also be directed to the Information Agent. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offers.

The Information Agent for the Offers is:

Global Bondholder Services Corporation

65 Broadway, Suite 404
New York, New York 10006
Banks and Brokers Call Collect: (212) 430-3774
All Others Call Toll Free: (866) 470-3900

The Dealer Manager for the Offers is:

Goldman, Sachs & Co.

Liability Management Group
200 West Street
New York, New York 10282
Toll Free: (800) 828-3182
Collect: (212) 902-5183

**Letter of Transmittal
of
Vornado Realty Trust**

**Pursuant to Offer to Purchase
Dated September 2, 2010**

**3.625% Convertible Senior Debentures Due 2026
(CUSIP No. 929043AE7)**

and

**2.85% Convertible Senior Debentures Due 2027)
(CUSIP No. 929042AC3)**

EACH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON SEPTEMBER 30, 2010, UNLESS EXTENDED FOR THAT OFFER (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED WITH RESPECT TO THAT OFFER, THE "EXPIRATION TIME"). **HOLDERS MUST VALIDLY TENDER AND NOT VALIDLY WITHDRAW THEIR DEBENTURES PRIOR TO THE APPLICABLE EXPIRATION TIME TO BE ELIGIBLE TO RECEIVE THE APPLICABLE CONSIDERATION.** TENDERS OF DEBENTURES MAY BE WITHDRAWN PRIOR TO THE APPLICABLE EXPIRATION TIME.

The Depositary for the Offers is:

Global Bondholder Services Corporation

*By Regular, Registered or Certified Mail,
By Overnight Courier or By Hand*

By Facsimile
(For Eligible Institutions only)
(212) 430-3775
Attention: Corporate Actions

65 Broadway, Suite 404
New York, New York 10006
Attention: Corporate Actions

Banks and Brokers Call:
(212) 430-3774
All Others Call Toll Free:
(866) 470-3900

Delivery of this Letter of Transmittal to an address other than as set forth above, or transmission of instructions via a fax number other than as listed above, will not constitute a valid delivery. The method of delivery of this Letter of Transmittal, Debentures and all other required documents to the Depositary, including delivery through DTC and any acceptance or Agent's Message delivered through ATOP (as defined below), is at the election and risk of Holders (as defined below).

This Letter of Transmittal and the instructions hereto (the "*Letter of Transmittal*") and the Offer to Purchase dated September 2, 2010 (as the same may be amended or supplemented from time to time, the "*Offer to Purchase*") of Vornado Realty Trust (the "*Company*") constitutes the Company's separate offers (each an "*Offer*" and collectively, the "*Offers*") to purchase for cash any and all of the Company's (i) 3.625% Convertible Senior Debentures due 2026 (the "*2026 Debentures*"), which are fully and unconditionally guaranteed by Vornado Realty L.P. (the "*Partnership*"), a limited partnership organized under the laws of the State of Delaware and (ii) 2.85% Convertible Senior Debentures due 2027 (the "*2027 Debentures*" and together with the 2026 Debentures, the "*Debentures*"), which are fully and unconditionally guaranteed by the Partnership at the consideration and subject to the terms and conditions set forth in the Offer to Purchase, from Holders.

Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Offer to Purchase.

This Letter of Transmittal is to be completed by a Holder desiring to tender Debentures unless such Holder is executing the tender through the Automated Tender Offer Program ("*ATOP*") of The

Depository Trust Company ("DTC"). **This Letter of Transmittal need not be completed by a Holder tendering Debentures through ATOP.**

For a description of certain procedures to be followed in order to tender Debentures (through ATOP or otherwise), see "Procedures for Tendering and Withdrawing the Debentures" in the Offer to Purchase and the instructions to this Letter of Transmittal.

TENDER OF DEBENTURES

- o CHECK HERE IF CERTIFICATES REPRESENTING TENDERED DEBENTURES ARE ENCLOSED HEREWITH.
- o CHECK HERE IF TENDERED DEBENTURES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY WITH DTC AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____

DTC Account Number: _____

Transaction Code Number: _____

Date Tendered: _____

List in the boxes below the Debentures to which this Letter of Transmittal relates. If the space provided below is inadequate, list the certificate numbers and principal amounts on a separately executed schedule and affix the schedule to this Letter of Transmittal. Tenders of Debentures will be accepted only in principal amounts equal to \$1,000 or integral multiples thereof. No alternative, conditional or contingent tenders will be accepted. **This Letter of Transmittal need not be completed by Holders tendering Debentures by ATOP.**

| DESCRIPTION OF 2026 DEBENTURES TENDERED | | | |
|---|---------------------------|---|--------------------------------|
| 3.625% Convertible Senior Debentures due 2026 (CUSIP No. 929043AE7) | | | |
| Name(s) and Address(es) of Holder(s) or Name of DTC Participant and Participant's DTC Account Number in which 2026 Debentures are Held (Please fill in, if blank) | Certificate Number(s)* | Aggregate Principal Amount Represented | Principal Amount Tendered** |
| | | | |
| | | | |
| | | | |
| | | | |

* Need not be completed by Holders tendering by book-entry transfer or in accordance with DTC's ATOP procedure for transfer (see below).

** Unless otherwise specified, it will be assumed that the entire aggregate principal amount represented by the 2026 Debentures described above is being tendered.

If not already printed above, the name(s) and address(es) of the registered Holder(s) should be printed exactly as they appear on the certificate(s) representing 2026 Debentures tendered hereby or, if tendered by a participant in DTC, exactly as such participant's name appears on a security position listing as the owner of the 2026 Debentures.

| DESCRIPTION OF 2027 DEBENTURES TENDERED | | | |
|---|---------------------------|---|--------------------------------|
| 2.85% Convertible Senior Debentures due 2027 | | | |
| (CUSIP No. 929042AC3) | | | |
| Name(s) and Address(es) of Holder(s) or Name of DTC Participant and Participant's DTC Account Number in which 2027 Debentures are Held (Please fill in, if blank) | Certificate Number(s)* | Aggregate Principal Amount Represented | Principal Amount Tendered** |
| | | | |
| | | | |
| | | | |
| | | | |
| * Need not be completed by Holders tendering by book-entry transfer or in accordance with DTC's ATOP procedure for transfer (see below). | | | |
| ** Unless otherwise specified, it will be assumed that the entire aggregate principal amount represented by the 2027 Debentures described above is being tendered. | | | |

If not already printed above, the name(s) and address(es) of the registered Holder(s) should be printed exactly as they appear on the certificate(s) representing 2027 Debentures tendered hereby or, if tendered by a participant in DTC, exactly as such participant's name appears on a security position listing as the owner of the 2027 Debentures.

No Offers are being made to, nor will tenders of Debentures be accepted from or on behalf of, Holders in any jurisdiction in which the making or acceptance of any Offers would not be in compliance of the laws of such jurisdiction.

**NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

The undersigned hereby tenders to Vornado Realty Trust (the "*Company*"), a fully-integrated real estate investment trust organized under the laws of the State of Maryland, upon the terms and subject to the conditions set forth in this Letter of Transmittal and the Offer to Purchase (collectively, the "*Offer Documents*"), receipt of which is hereby acknowledged, the principal amount or amounts of Debentures indicated in the tables above under the caption headings "Description of 2026 Debentures Tendered" and "Description of 2027 Debentures Tendered", under the column heading "Principal Amount Tendered" within each such table (or, if nothing is indicated therein, with respect to the entire aggregate principal amount represented by the Debentures described in each such table). The undersigned represents and warrants that the undersigned agrees to all of the terms and conditions in the Offer Documents.

Subject to, and effective upon, the acceptance for purchase of, and payment for, the principal amount of Debentures tendered herewith in accordance with the terms and subject to the conditions of the Offers, the undersigned hereby:

- irrevocably sells, assigns and transfers to, or upon the order of, the Company, all right, title and interest in and to all of the Debentures tendered hereby;
- waives any and all other rights with respect to such Debentures (including, without limitation, any existing or past defaults and their consequences in respect of such Debentures and the indenture under which the Debentures were issued);
- releases and discharges the Company and Vornado Realty L.P., a Delaware limited partnership (the "*Partnership*"), from any and all claims the undersigned may have now, or may have in the future arising out of, or related to, such Debentures, including, without limitation, the Partnership's guarantee of the Debentures any claims that the undersigned is entitled to receive additional principal or interest payments with respect to such Debentures, to convert the Debentures into cash or a combination of cash and Common Shares, to participate in any redemption of such Debentures or be entitled to any of the benefits under the indenture under which the Debentures were issued; and
- irrevocably constitutes and appoints the Depositary as the true and lawful agent and attorney-in-fact of the undersigned (with full knowledge that the Depositary also acts as the agent of the Company) with respect to such Debentures, with full powers of substitution and resubstitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to:
 - deliver certificates representing such Debentures, or transfer ownership of such Debentures on the account books maintained by DTC, together, in any such case, with all accompanying evidences of transfer and authenticity, to the Company,
 - present such Debentures for transfer on the relevant security register,
 - receive all benefits or otherwise exercise all rights of beneficial ownership of such Debentures (except that the Depositary will have no rights to, or control over, funds from the Company, except as agent for the tendering Holders, for the applicable Consideration and any Accrued Interest for any tendered Debentures that are purchased by the Company), and
 - deliver to the Company this Letter of Transmittal.

all upon the terms and conditions of the Offers as described in the Offer to Purchase.

If the undersigned is not the holder of the Debentures (each, a "*Holder*", and collectively, "*Holders*") listed in the boxes above under the captions "Description of 2026 Debentures Tendered" and "Description of 2027 Debentures Tendered", in each case under the column heading "Principal Amount Tendered" or such Holder's legal representative or attorney-in-fact (or, in the case of Debentures held through DTC, the DTC participant for whose account such Debentures are held), then the undersigned has obtained a properly completed irrevocable proxy that authorizes the undersigned (or the undersigned's legal representative or attorney-in-fact) to tender such Debentures on behalf of the Holder thereof, and such proxy is being delivered with this Letter of Transmittal.

The undersigned acknowledges and agrees that a tender of Debentures pursuant to any of the procedures described in the Offer to Purchase and in the instructions hereto and an acceptance of such Debentures by the Company will constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Offer to Purchase and this Letter of Transmittal. Such agreement will be governed by, and construed in accordance with, the laws of the State of New York.

The undersigned understands that, under certain circumstances and subject to the certain conditions specified in the Offer Documents (each of which the Company may waive, other than those dependent upon the receipt of necessary government approvals, prior to the applicable Expiration Time), the Company may not be required to accept for payment any of the Debentures tendered. Any Debentures not accepted for payment will be returned promptly to the undersigned at the address set forth above unless otherwise listed in one of the boxes below labeled "A. Special Issuance/Delivery Instructions."

The undersigned hereby represents and warrants and covenants that:

- the undersigned has full power and authority to tender, sell, assign and transfer the Debentures tendered hereby;
- when such tendered Debentures are accepted for payment and paid for by the Company pursuant to the Offers, the Company will acquire good title thereto, free and clear of all liens, charges, claims, encumbrances, interests and restrictions of any kind; and
- the undersigned will, upon request, execute and deliver any additional documents deemed by the Depository or by the Company to be necessary or desirable to complete the sale, assignment and transfer of the Debentures tendered hereby.

No authority conferred or agreed to be conferred by this Letter of Transmittal shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned, and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned and any subsequent transferees of the Debentures.

In consideration for the purchase of the Debentures pursuant to the Offers, the undersigned hereby waives, releases, forever discharges and agrees not to sue the Company, the Partnership, and their former, current or future trustees, officers, employees, agents, subsidiaries, affiliates, shareholders, predecessors, successors, assigns or other representatives as to any and all claims, demands, causes of action and liabilities of any kind and under any theory whatsoever, whether known or unknown (excluding any liability arising under U.S. federal securities laws in connection with the Offers), by reason of any act, omission, transaction or occurrence, that the undersigned ever had, now has or hereafter may have against the Company as a result of or in any manner related to:

- the undersigned's purchase, ownership or disposition of the Debentures pursuant to the Offers; and

- any decline in the value thereof up to and including the applicable Payment Date (and thereafter, to the extent the Holder retains Debentures).

Without limiting the generality or effect of the foregoing, upon the purchase of Debentures pursuant to the Offers, the Company shall obtain all rights relating to the undersigned's ownership of Debentures (including, without limitation, the right to all interest payable on the Debentures) and any and all claims relating thereto.

Unless otherwise indicated herein under "A. Special Issuance/Delivery Instructions", the undersigned hereby requests that any Debentures representing principal amounts not tendered or not accepted for purchase be issued in the name(s) of, and be delivered to, the undersigned (and, in the case of Debentures tendered by book-entry transfer, by credit to the account of DTC). Unless otherwise indicated herein under "B. Special Payment Instructions", the undersigned hereby request(s) that any checks for payment to be made in respect of the Debentures tendered hereby be issued to the order of, and delivered to, the undersigned.

In the event that a "A. Special Issuance/Delivery Instructions" box is completed, the undersigned hereby request(s) that any Debentures representing principal amounts not tendered or not accepted for purchase be issued in the name(s) of, and be delivered to, the person(s) at the address(es) therein indicated. The undersigned recognizes that the Company has no obligation pursuant to a "A. Special Issuance/Delivery Instructions" box to transfer any Debentures from the names of the registered Holder(s) thereof if the Company does not accept for purchase any of the principal amount of such Debentures so tendered. The right to have Debentures registered and delivered in accordance with "A. Special Issuance/Delivery Instructions" is subject any limitations or requirements of the indenture governing the Debentures. In the event that a "B. Special Payment Instructions" box is completed, the undersigned hereby request(s) that checks for payment to be made in respect of the Debentures tendered hereby be issued to the order of, and be delivered to, the person(s) at the address(es) therein indicated, subject to provision for payment of any applicable taxes being made.

A. SPECIAL ISSUANCE/DELIVERY INSTRUCTIONS
(See Instructions 1, 2 and 6)

To be completed **ONLY** if 2026 Debentures in a principal amount not tendered or not accepted for purchase are to be issued in the name of someone other than the person(s) whose signature(s) appear within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of 2026 Debentures Tendered" within this Letter of Transmittal.

Name: _____
(Please Print)

Address: _____

(Zip Code)

(Tax Identification or Social Security Number)

(See Substitute Form W-9 herein)

- Check here to direct a credit of 2026 Debentures not tendered or not accepted for purchase delivered by book-entry transfer to an account at DTC.

DTC Account No.

Number of Account Party: _____

B. SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 2, 3 and 6)

To be completed **ONLY** if checks are issued payable to someone other than the person(s) whose signature(s) appear(s) within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of 2026 Debentures Tendered" within this Letter of Transmittal.

Name: _____
(Please Print)

Address: _____

(Zip Code)

(Tax Identification or Social Security Number)

(See Substitute Form W-9 herein)

A. SPECIAL ISSUANCE/DELIVERY INSTRUCTIONS
(See Instructions 1, 2 and 6)

To be completed **ONLY** if 2027 Debentures in a principal amount not tendered or not accepted for purchase are to be issued in the name of someone other than the person(s) whose signature(s) appear within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of 2027 Debentures Tendered" within this Letter of Transmittal.

Name: _____
(Please Print)

Address: _____

(Zip Code)

(Tax Identification or Social Security Number)

(See Substitute Form W-9 herein)

Check here to direct a credit of 2027 Debentures not tendered or not accepted for purchase delivered by book-entry transfer to an account at DTC.

DTC Account No.

Number of Account Party: _____

B. SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 2, 3 and 6)

To be completed **ONLY** if checks are issued payable to someone other than the person(s) whose signature(s) appear(s) within this Letter of Transmittal or sent to an address different from that shown in the box entitled "Description of 2027 Debentures Tendered" within this Letter of Transmittal.

Name: _____
(Please Print)

Address: _____

(Zip Code)

(Tax Identification or Social Security Number)

(See Substitute Form W-9 herein)

PLEASE COMPLETE AND SIGN BELOW

(This page is to be completed and signed by all tendering Holders except Holders executing the tender through DTC's ATOP system.)

By completing, executing and delivering this Letter of Transmittal, the undersigned hereby tenders the principal amount of the Debentures listed in the boxes above labeled "Description of 2026 Debentures Tendered" and "Description of 2027 Debentures Tendered", in each case under the column heading "Principal Amount Tendered" (or, if nothing is indicated therein, with respect to the entire aggregate principal amount represented by the Debentures described in each such box).

Signature(s): _____

(Must be signed by the registered Holder(s) exactly as the name(s) appear(s) on certificate(s) representing the tendered Debentures or, if the Debentures are tendered by a participant in DTC, exactly as such participant's name appears on a security position listing as the owner of such Debentures. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth the full title and see Instruction 1.)

Dated: _____

Name(s): _____
(Please Print)

Capacity (Full Title): _____

Address: _____

(Including Zip Code)

Area Code and Telephone Number: _____

Tax Identification or Social Security Number: _____

(REMEMBER TO COMPLETE ACCOMPANYING SUBSTITUTE FORM W-9)

**MEDALLION SIGNATURE GUARANTEE
(ONLY IF REQUIRED—SEE INSTRUCTIONS 1 AND 2)**

Authorized Signature of Guarantor: _____

Name of Firm: _____

Address: _____

Area Code and Telephone Number: _____

[Place Seal Here]



INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. *Signatures on Letter of Transmittal, Instruments of Transfer and Endorsements.* If this Letter of Transmittal is signed by the registered Holder(s) of the Debentures tendered hereby, the signatures must correspond with the name(s) as written on the face of the certificates, without alteration, enlargement or any change whatsoever. If this Letter of Transmittal is signed by a participant in DTC whose name is shown on a security position listing as the owner of the Debentures tendered hereby, the signature must correspond with the name shown on the security position listing as the owner of such Debentures.

If any of the Debentures tendered hereby are registered in the name of two or more Holders, all such Holders must sign this Letter of Transmittal. If any of the Debentures tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any Debentures or instrument of transfer is signed by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Company of such person's authority to so act must be submitted.

When this Letter of Transmittal is signed by the registered Holders of the Debentures tendered hereby, no endorsements of Debentures or separate instruments of transfer are required unless payment is to be made, or Debentures not tendered or purchased are to be issued, to a person other than the registered Holders, in which case signatures on such Debentures or instruments of transfer must be guaranteed by a Medallion Signature Guarantor.

Unless this Letter of Transmittal is signed by the Holder(s) of the Debentures tendered hereby (or by a participant in DTC whose name appears on a security position listing as the owner of such Debentures), such Debentures must be endorsed or accompanied by appropriate instruments of transfer, and be accompanied by a duly completed proxy entitling the signer to tender such Debentures on behalf of such Holder(s) (or such participant), and each such endorsement, instrument of transfer or proxy must be signed exactly as the name or names of the Holder(s) appear on the Debentures (or as the name of such participant appears on a security position listing as the owner of such Debentures); signatures on each such endorsement, Instrument of transfer or proxy must be guaranteed by a Medallion Signature Guarantor, unless the signature is that of an Eligible Institution.

2. *Signature Guarantees.* Signatures on this Letter of Transmittal must be guaranteed by a Medallion Signature Guarantor, unless the Debentures tendered hereby are tendered by a Holder (or by a participant in DTC whose name appears on a security position listing as the owner of such Debentures) that has not completed a box entitled "A. Special Issuance/Delivery Instructions" or a box entitled "B. Special Payment Instructions" on this Letter of Transmittal. See Instruction 1.

3. *Transfer Taxes.* If Debentures not tendered or purchased are to be registered in the name of any persons other than the Holders, the amount of any transfer taxes (whether imposed on the Holder or such other person) payable on account of the transfer to such other person will be deducted from the payment unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

4. *Requests for Assistance or Additional Copies.* Any questions or requests for assistance or additional copies of the Offer to Purchase or this Letter of Transmittal may be directed to the Information Agent at its telephone number set forth on the back cover of the Offer to Purchase. A Holder may also contact the Dealer Manager at the telephone numbers set forth on the back cover of

the Offer to Purchase or such Holder's broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offers.

5. *Partial Tenders.* Tenders of either the 2026 Debentures or 2027 Debentures will be accepted only in integral multiples of \$1,000 principal amount. If less than the entire principal amount of any Debenture is tendered, the tendering Holder should fill in the principal amount tendered in the fourth column of the boxes entitled "Description of 2026 Debentures Tendered" and "Description of 2027 Debentures Tendered" above. The entire principal amount of Debentures delivered to the Depository will be deemed to have been tendered unless otherwise indicated. If the entire principal amount of all Debentures is not tendered, then substitute Debentures for the principal amount of Debentures not tendered and purchased pursuant to the Offers will be sent to the Holder at his or her registered address, unless a different address is provided in the appropriate box on this Letter of Transmittal promptly after the delivered Debentures are accepted for partial tender.

6. *Special Payment and Special Delivery Instructions.* Tendering Holders should indicate in the applicable box or boxes the name and address to which Debentures for principal amounts not tendered or not accepted for purchase or checks for payment of the applicable Consideration and Accrued Interest are to be sent or issued, if different from the name and address of the Holder signing this Letter of Transmittal. In the case of payment to a different name, the taxpayer identification or social security number of the person named must also be indicated. If no instructions are given, Debentures not tendered or not accepted for purchase will be returned, and checks for payment of the applicable Consideration and Accrued Interest will be sent, to the Holder of the Debentures tendered.

7. *Waiver of Conditions.* The Company reserves the right, in its sole discretion, to amend or waive any or all of the conditions to the Offer, other than those conditions dependent upon the receipt of necessary government approvals, on or prior to the applicable Expiration Time.

8. *Backup Withholding.*

Federal income tax law imposes "backup withholding" unless a surrendering U.S. Holder, and, if applicable, each other payee, has provided such Holder's or payee's correct taxpayer identification number ("*TIN*") which, in the case of a Holder or payee who is an individual, is his or her social security number, and certain other information, or otherwise establishes a basis for exemption from backup withholding and certifies these facts under penalties of perjury. For federal tax purposes, you are considered a U.S. Holder if you are: (1) an individual who is a U.S. citizen or U.S. resident alien; (2) a partnership, corporation, company or association created or organized in the United States or under the laws of the United States or any state thereof, including for this purpose the District of Columbia; (3) an estate (other than a foreign estate); or (4) a domestic trust (as defined in Treasury Regulations section 301.7701-7). Completion of the attached Substitute Form W-9 should be used for this purpose. If the Depository is not provided with the correct TIN, the Holder or payee may be subject to a \$50 penalty imposed by the Internal Revenue Service ("*IRS*"). Exempt Holders and payees (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and information reporting requirements, provided that they properly demonstrate their eligibility for exemption. Exempt U.S. Holders should furnish their TIN, check the exemption in Part 2 of the attached Substitute Form W-9, and sign, date and return the Substitute Form W-9 to the Depository. In order for a Holder other than a U.S. Holder (a "Non-U.S. Holder") to qualify as an exempt recipient, that Non-U.S. Holder should submit the appropriate IRS Form W-8 (which is available from the Depository) signed under penalties of perjury, attesting to that Non-U.S. Holder's foreign status. A Non-U.S. Holder's failure to submit the appropriate Form W-8 may require the Depository to backup withhold 28% on any payments made pursuant to the Offers.

Failure to complete the Substitute Form W-9 may require the Depository to backup withhold at 28% (or such other rate specified by the Internal Revenue Code of 1986, as amended (the "*Code*")) of the amount of any payments made pursuant to the Offers. Backup withholding is not an additional

federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is furnished to the IRS on a timely basis.

A U.S. Holder (or other payee) should write "Applied For" in the space for the TIN provided on the attached Substitute Form W-9 and must also complete the attached "Certificate of Awaiting Taxpayer Identification Number" if such U.S. Holder (or other payee) has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the Depository is not provided with a TIN by the time of payment, the Depository may backup withhold 28% on payments made pursuant to the Offers. A U.S. Holder who writes "Applied For" in the space in Part 1 in lieu of furnishing its TIN should furnish the Depository with such Holder's TIN as soon as it is received.

For further information concerning backup withholding and instructions for completing the Substitute Form W-9 (including how to obtain a TIN if you do not have one and how to complete the Substitute Form W-9 if the Debentures are held in more than one name), consult the enclosed *Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9*.

9. *Irregularities.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of Debentures pursuant to the procedures described in the Offer to Purchase and this Letter of Transmittal and the form and validity of all documents will be determined by the Company in its sole discretion. The Company reserves the absolute right to reject any or all tenders that are not in proper form or the acceptance of or payment for which may, upon the advice of counsel for the Company, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offer, other than those dependent upon the receipt of necessary government approvals, and any defect or irregularity in the tender of any particular Debentures. Any determination by the Company as to the validity, form, eligibility and acceptance of Debentures for payment, or any interpretation by the Company as to the terms and conditions of the Offers, is subject to applicable law and, if challenged by Holders or otherwise, to the judgment of a court of competent jurisdiction. The Company is not obligated and does not intend to accept any alternative, conditional or contingent tenders. Unless waived, any irregularities in connection with tenders must be cured within such time as the Company shall determine. None of the Company or any of its affiliates or assigns, the Depository, the Information Agent, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in such tenders or will incur any liability to a Holder for failure to give such notification. Tenders of Debentures will not be deemed to have been made until such irregularities have been cured or waived. Any Debentures received by the Depository that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the Depository to the tendering Holders, as promptly as practical following the Expiration Time.

10. *Mutilated, Lost, Stolen or Destroyed Certificates for Debentures.* Any Holder whose certificates for Debentures have been mutilated, lost, stolen or destroyed should contact the Depository at the address or telephone number set forth on the back cover of this Letter of Transmittal to receive information about the procedures for obtaining replacement certificates for Debentures.

SUBSTITUTE

Form **W-9**

Department of the Treasury
Internal Revenue Service

Name (as shown on your income tax return)

Business Name, if different from above

Check appropriate box:

Individual/Sole proprietor Corporation Partnership

Other _____
Address

City, state, and ZIP code

Part 1—Taxpayer Identification Number—Please provide your TIN in the box at right and certify by signing and dating below. If awaiting TIN, write "Applied For."

Social Security Number
OR

Employer Identification Number

PART 2—For Payees Exempt from Backup Withholding—Check the box if you are NOT subject to backup withholding

**Payer's Request for Taxpayer
Identification Number ("TIN")
and Certification**

PART 3—Certification—Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me),
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
- (3) I am a U.S. person (including a U.S. resident alien).

Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. However, if after being notified by the IRS stating that you were subject to backup withholding you received another notification from the IRS stating you are no longer subject to backup withholding, do not cross out item 2.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

SIGNATURE _____

DATE _____

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office, or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number by the time of payment, 28% of all reportable payments made to me will be withheld.

Signature _____

Date _____

, 2010

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Guidelines For Determining the Proper Identification Number to Give the Payer—Social Security Numbers ("SSNs") have nine digits separated by two hyphens: *i.e.*, 000-00-0000. Employer Identification Numbers ("EINs") have nine digits separated by only one hyphen: *i.e.*, 00-0000000. The table below will help determine the number to give the payer. All "section" references are to the Code.

| For this type of account: | GIVE THE NAME AND SOCIAL SECURITY NUMBER or EMPLOYER IDENTIFICATION NUMBER of— | For this type of account: | GIVE THE NAME AND EMPLOYER IDENTIFICATION NUMBER of— |
|--|--|---|---|
| 1. Individual | The individual | 7. A valid trust, estate, or pension trust | Legal entity (4) |
| 2. Two or more individuals (joint account) | The actual owner of the account or, if combined funds, the first individual on the account (1) | 8. Corporation or LLC electing corporate status on Form 8832 | The corporation or LLC |
| 3. Custodian account of a minor (Uniform Gift to Minors Act) | The minor (2) | 9. Association, club, religious, charitable, educational or other tax-exempt organization | The organization |
| 4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law | The grantor-trustee (1) The actual owner (1) | 10. Partnership or multi-member LLC | The partnership or LLC |
| 5. Sole proprietorship or single-owner LLC | The owner (3) | 11. A broker or registered nominee | The broker or nominee |
| 6. Disregarded entity not owned by an individual | The owner | 12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments | The public entity |

- (1) List first and circle the name of the person whose SSN you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.
- (2) Circle the minor's name and furnish the minor's SSN.
- (3) You must show your individual name and you may also enter your business or "doing business as" name. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, the Internal Revenue Service encourages you to use your SSN.
- (4) List first and circle the name of the legal trust, estate or pension trust. (Do not furnish the Taxpayer Identification Number of the personal representative or trustee unless the legal entity itself is not designated in the account title).

NOTE: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION
NUMBER ON SUBSTITUTE FORM W-9**

Page 2

Purpose of Form

A person who is required to file an information return with the Internal Revenue Service (the "IRS") must get your correct Taxpayer Identification Number ("TIN") to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an individual retirement account. Use Substitute Form W-9 to give your correct TIN to the requester (the person requesting your TIN) and, when applicable, (1) to certify the TIN you are giving is correct (or you are waiting for a number to be issued), (2) to certify you are not subject to backup withholding, or (3) to claim exemption from backup withholding if you are an exempt payee. The TIN provided must match the name given on the Substitute Form W-9.

How to Get a TIN

If you do not have a TIN, apply for one immediately. To apply for an SSN, obtain Form SS-5, Application for a Social Security Card, at the local office of the Social Security Administration or get this form on-line at www.ssa.gov/online/ss-5.pdf. You may also get this form by calling 1-800-772-1213. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Businesses Topics. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an Individual taxpayer identification number ("ITIN"), or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can get Forms W-7 and SS-4 from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS web site at www.irs.gov.

If you do not have a TIN, write "Applied For" in Part 1, sign and date the form and the Certificate of Awaiting Taxpayer Identification Number, and give it to the payer. For interest and dividend payments and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the payer. If the payer does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN.

Note: Writing "Applied For" on the form means that you have already applied for a TIN or that you intend to apply for one soon. As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the payer.

CAUTION: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Payees Exempt from Backup Withholding

Individuals (including sole proprietors) are NOT exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note: If you are exempt from backup withholding, you should still complete Substitute Form W-9 to avoid possible erroneous backup withholding. If you are exempt, enter your correct TIN in Part 1, check the "Exempt" box in Part 2, and sign and date the form. If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8, Certificate of Foreign Status.

The following is a list of payees that may be exempt from backup withholding and for which no information reporting is required. For interest and dividends, all listed payees are exempt except for those listed in item (9). For broker transactions, payees listed in (1) through (13) and any person registered under the Investment Advisers Act of 1940 who regularly acts as a broker are exempt. Payments subject to reporting under sections 6041 and 6041A are generally exempt from backup withholding only if made to payees described in items (1) through (7). However, the following

payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: (i) medical and health care payments, (ii) attorneys' fees, and (iii) payments for services paid by a federal executive agency. Only payees described in items (1) through (5) are exempt from backup withholding for barter exchange transactions and patronage dividends.

- (1) An organization exempt from tax under section 501(a), or an individual retirement account ("IRA"), or a custodial account under section 403(b)(7), if the account satisfies the requirements of section 401(f)(2).
- (2) The United States or any of its agencies or instrumentalities.
- (3) A state, the District of Columbia, a possession of the United States, or any of their subdivisions or instrumentalities.
- (4) A foreign government, a political subdivision of a foreign government, or any of their agencies or instrumentalities.
- (5) An international organization or any of its agencies or instrumentalities.
- (6) A corporation.
- (7) A foreign central bank of issue.
- (8) A dealer in securities or commodities registered in the United States, the District of Columbia, or a possession of the United States.
- (9) A futures commission merchant registered with the Commodity Futures Trading Commission.
- (10) A real estate investment trust.
- (11) An entity registered at all times during the tax year under the Investment Company Act of 1940.
- (12) A common trust fund operated by a bank under section 584(a).
- (13) A financial institution.
- (14) A middleman known in the investment community as a nominee or custodian.
- (15) An exempt charitable remainder trust, or a non-exempt trust described in section 4947.

Exempt payees described above should file Substitute Form W-9 to avoid possible erroneous backup withholding. **FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, CHECK THE "EXEMPT" BOX IN PART 2 ON THE FACE OF THE FORM IN THE SPACE PROVIDED, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER.**

Certain payments that are not subject to information reporting are also not subject to backup withholding. For details, see sections 6041, 6041A, 6042, 6044, 6045, 6049, 6050A and 6050N, and their regulations.

Privacy Act Notice. Section 6109 of the Internal Revenue Code requires you to give your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation and to cities, states, and the District of Columbia to carry out their tax laws. The IRS may also disclose this information to other countries under a tax treaty, or to federal and state agencies to enforce federal nontax criminal laws and to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to a payer. The penalties described below may also apply.

Penalties

Failure to Furnish TIN. If you fail to furnish your correct TIN to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding. If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.

Criminal Penalty for Falsifying Information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the payer discloses or uses TINs in violation of federal law, the payer may be subject to civil and criminal penalties.

FOR ADDITIONAL INFORMATION, CONTACT YOUR TAX ADVISOR OR THE INTERNAL REVENUE SERVICE.

In order to tender, a Holder should send or deliver a properly completed and signed Letter of Transmittal, certificates for Debentures and any other required documents to the Depository at the address set forth below or tender pursuant to DTC's Automated Tender Offer Program.

The Depository for the Offers is:

Global Bondholder Services Corporation

*By Regular, Registered or Certified Mail,
By Overnight Courier or By Hand*

By Facsimile
(For Eligible Institutions only)
(212) 430-3775
Attention: Corporate Actions

65 Broadway, Suite 404
New York, New York 10006
Attention: Corporate Actions

Banks and Brokers Call:
(212) 430-3774
All Others Call Toll Free:
(866) 470-3900

Any questions or requests for assistance may be directed to the Dealer Manager at the address and telephone numbers set forth below. Additional copies of the Offer to Purchase or this Letter of Transmittal may be obtained from the Information Agent at the address or telephone numbers set forth below. A Holder may also contact such Holder's broker, dealer, custodian bank, depository, trust company or other nominee for assistance concerning the Offers.

The Information Agent for the Offers is:

Global Bondholder Services Corporation

65 Broadway, Suite 404
New York, New York 10006
Banks and Brokers Call Collect: (212) 430-3774
All Others Call Toll Free: (866) 470-3900

The Dealer Manager for the Offers is:

Goldman, Sachs & Co.

Liability Management Group
200 West Street
New York, New York 10282
Toll Free: (800) 828-3182
Collect: (212) 902-5183

VORNADO REALTY TRUST

Offer to Purchase for Cash Any and All of Its Outstanding

3.625% Convertible Senior Debentures Due 2026 (CUSIP No. 929043AE7) and 2.85% Convertible Senior Debentures Due 2027 (CUSIP No. 929042AC3)

EACH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON SEPTEMBER 30, 2010, UNLESS EXTENDED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED WITH RESPECT TO THAT OFFER, THE "EXPIRATION TIME"). **HOLDERS MUST VALIDLY TENDER THEIR DEBENTURES PRIOR TO THE APPLICABLE EXPIRATION TIME TO BE ELIGIBLE TO RECEIVE THE APPLICABLE CONSIDERATION.** TENDERS OF DEBENTURES MAY BE WITHDRAWN PRIOR TO THE APPLICABLE EXPIRATION TIME.

September 2, 2010

To Brokers, Securities Dealers, Commercial Banks, Trust Companies and Other Nominees that are Holders of 3.625% Convertible Senior Debentures due 2026 or that are Holders of 2.85% Convertible Senior Debentures due 2027.

Vornado Realty Trust, a fully integrated real estate investment trust organized under the laws of the State of Maryland (the "*Company*"), is making two separate offers to purchase for cash any and all of its outstanding (i) 3.625% Convertible Senior Debentures due 2026 (the "*2026 Debentures*"), which are fully and unconditionally guaranteed by Vornado Realty L.P. (the "*Partnership*"), a limited partnership organized under the laws of the State of Delaware and (ii) 2.85% Convertible Senior Debentures due 2027 (the "*2027 Debentures*" and together with the 2026 Debentures, the "*Debentures*"), which are fully and unconditionally guaranteed by the Partnership, on the terms and subject to the conditions set forth in its Offer to Purchase dated September 2, 2010 (as the same may be amended or supplemented from time to time, the "*Offer to Purchase*") and in the related Letter of Transmittal (as the same may be amended or supplemented from time to time, the "*Letter of Transmittal*"), each of which constitutes an "*Offer*" and together are the "*Offers*". Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Offer to Purchase.

The applicable Consideration in respect of a purchase of Debentures is an amount, paid in cash, equal to (i) \$1,020 per \$1,000 principal amount of the 2026 Debentures validly tendered and accepted for purchase and (ii) \$1,015 per \$1,000 principal amount of the 2027 Debentures validly tendered and accepted for purchase. In each case, Holders that validly tender Debentures that are purchased shall receive accrued and unpaid interest, if any, up to, but not including, the Payment Date. The "*Payment Date*" in respect of any Debentures that are validly tendered and accepted for purchase is expected to be one business day after the applicable Expiration Time and is expected to be on or about October 1, 2010 with respect to both the 2026 Debentures and the 2027 Debentures. No tenders of Debentures submitted after the applicable Expiration Time will be valid.

The Company may, in its sole discretion, waive any of the conditions to the Offer, other than those dependent upon the receipt of necessary government approvals, in whole or in part, at any time and from time prior to the applicable Expiration Time. Debentures that are not tendered and accepted for payment pursuant to the Offers will remain obligations of the Company.

Tendered Debentures may be withdrawn by the tendering Holders at any time prior to the applicable Expiration Time. After the applicable Expiration Time, tendered Debentures may not be withdrawn except under limited circumstances, as further described in the Offer to Purchase. In the

event of a termination or withdrawal of an Offer, Debentures tendered pursuant to such Offer will be promptly returned to the tendering Holders.

The Company reserves the right to terminate, withdraw or amend the Offers at any time and from time to time, as described in the Offer to Purchase and Letter of Transmittal. The Offers are being made upon the terms and subject to the conditions set forth in the Offer to Purchase and Letter of Transmittal.

We are asking you to contact your clients for whom you hold Debentures. For your use and for forwarding to those clients, we are enclosing the copies of the following documents:

1. The Offer to Purchase dated September 2, 2010.
2. The Letter of Transmittal to be used to tender Debentures for purchase to be sent to Global Bondholder Services Corp. (the "*Depository*" for the Offers). Executed facsimile copies of the Letter of Transmittal may be used to tender Debentures for purchase.
3. A printed form of letter which you may send to your clients, with a form provided for obtaining their instructions with regards to the Offers.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. Please note that Holders who wish to be eligible to receive the applicable Consideration, must validly tender Debentures prior to 12:00 a.m., New York City time, on September 30, 2010, unless extended or earlier terminated by the Company in its sole discretion. Each Offer will expire at 12:00 a.m., New York City time, on September 30, 2010, unless extended or earlier terminated by the Company in its sole discretion.

In order to tender Debentures by book-entry transfer to the Depository's account at the Depository Trust Company ("*DTC*"), Holders should execute their tenders through the DTC Automated Tender Offer Program ("*ATOP*") by transmitting their acceptances to DTC in accordance with DTC's ATOP procedures. In order to tender Debentures other than by book-entry transfer, a Holder should send or deliver a properly completed and signed Letter of Transmittal, certificates for Debentures and any other required documents to the Depository at its address set forth on the back cover page of the Offer to Purchase. **A Holder tendering through ATOP does not need to complete the Letter of Transmittal.**

There are no guaranteed delivery provisions provided for by the Company in conjunction with the Offers. Holders must tender their Debentures in accordance with the procedures set forth in the Offer to Purchase under the heading "*Procedures for Tendering and Withdrawing Debentures*".

The Company will not pay any fees or commissions to any dealer, broker or any other person (other than fees to the Dealer Manager and the Information Agent, as described in the Offer to Purchase) for soliciting tenders of the Debentures pursuant to the Offers. However, the Company will, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients.

Any inquiries you may have with respect to the Offers should be addressed to the Information Agent or the Dealer Manager for the Offers, at their respective addresses and telephone numbers as set forth on the back cover of the enclosed Offer to Purchase. Additional copies of the enclosed materials may be obtained from the Information Agent at the address and telephone numbers as set forth on the back cover of the enclosed Offer to Purchase.

Neither the management of the Company nor its board of trustees, the Dealer Manager, the Depository, the Information Agent or their respective affiliates make any recommendation to any Holder as to whether to tender any Debentures in connection with the Offers. The Company has not authorized any person to make any such recommendation. Holders should carefully evaluate all

information in the Offer to Purchase and Letter of Transmittal, consult their own investment and tax advisors, and make their own decisions about whether to tender Debentures and, if so, how many Debentures to tender.

Very truly yours,

VORNADO REALTY TRUST

Enclosures

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU THE AGENT OF THE COMPANY, THE DEALER MANAGER, THE DEPOSITARY, THE INFORMATION AGENT OR THE TRUSTEE OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFERS OTHER THAN THE DOCUMENTS ENCLOSED HERewith AND THE STATEMENTS CONTAINED THEREIN.

The Offers are not being made to, and the tender of Debentures will not be accepted from or on behalf of, Holders in any jurisdiction in which the making or acceptance of the Offers would not be in compliance with the laws of such jurisdiction.

VORNADO REALTY TRUST

Offer to Purchase for Cash Any and All of Its Outstanding

3.625% Convertible Senior Debentures due 2026
(CUSIP No. 929043AE7)
and
2.85% Convertible Senior Debentures due 2027
(CUSIP No. 929042AC3)

EACH OFFER (AS DEFINED BELOW) WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON SEPTEMBER 30, 2010, UNLESS EXTENDED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED WITH RESPECT TO THAT OFFER, THE "EXPIRATION TIME"). **HOLDERS MUST VALIDLY TENDER THEIR DEBENTURES PRIOR TO THE APPLICABLE EXPIRATION TIME TO BE ELIGIBLE TO RECEIVE THE APPLICABLE CONSIDERATION.** TENDERS OF DEBENTURES MAY BE WITHDRAWN PRIOR TO THE APPLICABLE EXPIRATION TIME.

September 2, 2010

To Our Clients who are Beneficial Owners of the 3.625% Convertible Senior Debentures due 2026 or the 2.85% Convertible Senior Debenture due 2027:

Vornado Realty Trust (the "*Company*"), a fully integrated real estate investment trust organized under the laws of the State of Maryland, is making two separate offers to purchase for cash any and all of its outstanding (i) 3.625% Convertible Senior Debentures due 2026 (the "*2026 Debentures*"), which are fully and unconditionally guaranteed by Vornado Realty L.P. (the "*Partnership*"), a limited partnership organized under the laws of the State of Delaware and (ii) 2.85% Convertible Senior Debentures due 2027 (the "*2027 Debentures*" and together with the 2026 Debentures, the "*Debentures*"), which are fully and unconditionally guaranteed by the Partnership, on the terms and subject to the conditions set forth in its Offer to Purchase dated September 2, 2010 (as the same may be amended or supplemented from time to time, the "*Offer to Purchase*") and in the related Letter of Transmittal (as the same may be amended or supplemented from time to time, the "*Letter of Transmittal*"), each of which constitutes an "*Offer*" and together are the "*Offers*". Capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Offer to Purchase.

The applicable Consideration in respect of a purchase of Debentures is an amount, paid in cash, equal to (i) \$1,020 per \$1,000 principal amount of the 2026 Debentures validly tendered and accepted for purchase and (ii) \$1,015 per \$1,000 principal amount of the 2027 Debentures validly tendered and accepted for purchase. In each case, Holders that validly tender Debentures that are purchased shall receive accrued and unpaid interest, if any, up to, but not including, the Payment Date. The "*Payment Date*" in respect of any Debentures that are validly tendered and accepted for purchase is expected to be one business day after the applicable Expiration Time and is expected to be on or about October 1, 2010 with respect to both the 2026 Debentures and the 2027 Debentures. No tenders of Debentures submitted after the applicable Expiration Time will be valid.

We are the holder of record of the Debentures held by us for your account. **A tender of such Debentures may be made only by us as the holder of record and only pursuant to your written instructions in the form attached hereto (the "*Instruction Form*").** The accompanying Letter of Transmittal is furnished to you for informational purposes only and may not be used by you to tender Debentures held by us for your account.

We request instructions as to whether you wish to have us tender on your behalf any or all of such Debentures held by us for your account, pursuant to the terms and subject to the conditions set forth in the Offer to Purchase and Letter of Transmittal. We urge you to carefully read the Offer to

Purchase, Letter of Transmittal and the other materials provided herewith before instructing us to tender your Debentures.

Your attention is directed to the following:

1. **Holders who wish to be eligible to receive the applicable Consideration must validly tender Debentures prior to 12:00 a.m., New York City time, on September 30, 2010, unless extended or terminated by the Company in its sole discretion. The Offers will each expire at 12:00 a.m., New York City time, on September 30, 2010, unless extended or earlier terminated by the Company in its sole discretion.** Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf.
2. The minimum permitted tender is \$1,000 principal amount of Debentures, and all tenders must be in integral multiples of \$1,000.
3. The Offers are for any and all Debentures that are outstanding.
4. The Company reserves the right to terminate, withdraw or amend the Offers at any time and from time to time, as described in the Offer to Purchase and the Letter of Transmittal. The Offers are being made upon the terms and subject to the conditions set forth in the Offer to Purchase. The Company reserves the right to waive any of these conditions, other than those dependent upon the receipt of necessary government approvals, in whole or in part, at any time and from time to prior to the applicable Expiration Time.
5. In all cases, the purchase of Debentures tendered and accepted for purchase pursuant to an Offer will be made only after all conditions to such Offer described in the Offer to Purchase have been satisfied or waived, and after timely receipt by the Depositary of a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantee, or (in the case of a book-entry transfer) an Agent's Message in lieu of the Letter of Transmittal, and any other required documents.

Neither the management of the Company nor its board of trustees, the Dealer Manager, the Depositary, the Information Agent or their respective affiliates make any recommendation to any Holder as to whether to tender any Debentures in connection with the Offers. The Company has not authorized any person to make any such recommendation. Holders should carefully evaluate all information in the Offer to Purchase, consult their own investment and tax advisors, and make their own decisions about whether to tender Debentures and, if so, how many Debentures to tender.

If you wish to have us tender any or all of your Debentures held by us for your account or benefit, please so instruct us by completing, executing and returning to us the attached Instruction Form. If you authorize us to tender your Debentures for purchase any time prior to the applicable Expiration Time, the entire aggregate principal amount of your Debentures will be tendered for purchase, unless you specify a lesser amount on the attached Instruction Form. **Your instructions should be forwarded to us in ample time to permit us to tender the related Debentures, and otherwise to submit a tender on your behalf prior to the applicable Expiration Time if you wish to be eligible to receive the applicable Consideration.**

The Offers are not being made under any circumstances in which the Offers would be unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offers to be made by a licensed broker or dealer, the Offers shall be deemed to be made on behalf of the Company by the Dealer Manager or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

The Offers are not being made to, and the tender of Debentures will not be accepted from or on behalf of, Holders in any jurisdiction in which the making or acceptance of the Offers would not be in compliance with the securities, blue sky or other laws of such jurisdiction.

**INSTRUCTION FORM WITH RESPECT TO THE
VORNADO REALTY TRUST**

**Offer to Purchase for Cash
Any and All of Its Outstanding**

**3.625% Convertible Senior Debentures due 2026
(CUSIP No. 929043AE7)**

and

**2.85% Convertible Senior Debentures due 2027
(CUSIP No. 929042AC3)**

The undersigned acknowledge(s) receipt of your letter enclosing the Offer to Purchase dated September 2, 2010 and the related Letter of Transmittal (which, together with any amendments or supplements thereto, collectively constitute the "*Offer Documents*") of Vornado Realty Trust, a fully integrated real estate investment trust organized under the laws of State of Maryland, of its two separate offers to purchase (each an "*Offer*" and collectively, the "*Offers*") for cash any and all of its outstanding (i) 3.625% Convertible Senior Debentures due 2026, which are fully and unconditionally guaranteed by Vornado Realty L.P. (the "*Partnership*"), a limited partnership organized under the laws of the State of Delaware (the "*2026 Debentures*") and (ii) 2.85% Convertible Senior Debentures due 2027, which are fully and unconditionally guaranteed by the Partnership (the "*2027 Debentures*" and together with the 2026 Debentures, the "*Debentures*").

The undersigned acknowledges and understands that Debentures tendered pursuant to the Offers may not be withdrawn, except in accordance with the instructions and procedures set forth in the Offer Documents.

This will instruct you to tender the principal amount of Debentures indicated below (or, if no number is indicated below, the entire aggregate principal amount of Debentures) held by you for the account or benefit of the undersigned upon the terms and conditions set forth in the Offer Documents.

| <u>Type</u> | <u>Aggregate Principal Amount Held for Account of Holder(s)</u> | <u>Principal Amount to be Tendered*</u> |
|--|---|---|
| <i>Outstanding 3.625% Convertible Senior Debentures due 2026</i> | | |
| <i>Outstanding 2.85% Convertible Senior Debentures due 2027</i> | | |

* Unless otherwise indicated, the entire principal amount indicated in the box entitled "Principal Amount to be Tendered" will be tendered. The minimum permitted tender is \$1,000 principal amount of Debentures, and all tenders must be integral multiples of \$1,000.

SIGN HERE

Signature(s)

Please print name(s)

Address

Area Code and Telephone Number

Tax Identification or Social Security Number

My Account Number with You

Date

CONTACT: JOSEPH MACNOW
(201) 587-1000



210 Route 4 East
Paramus, NJ 07652

FOR IMMEDIATE RELEASE — September 2, 2010

Vornado Realty Trust Announces Cash Tender Offers for Any and All of Its 3.625% Convertible Senior Debentures Due 2026 and Its 2.85% Convertible Senior Debentures Due 2027

PARAMUS, NEW JERSEY — Vornado Realty Trust (NYSE: VNO) (“Vornado”) announced today that it has commenced cash tender offers for any and all of its \$382,046,000 principal amount of outstanding 3.625% Convertible Senior Debentures due 2026 (CUSIP No. 929043AE7) (the “2026 Debentures”) and its \$22,479,000 principal amount of outstanding 2.85% Convertible Senior Debentures due 2027 (CUSIP No. 929042AC3) (the “2027 Debentures” and together with the 2026 Debentures, the “Securities”), each of which is guaranteed by Vornado Realty L.P. (the “Operating Partnership”), the operating partnership through which Vornado conducts its business and holds substantially all of its assets. Vornado intends to pay for all of the Securities purchased pursuant to the tender offers from available cash received from the Operating Partnership. The Offer to Purchase, dated today, and the related letter of transmittal, set forth the complete terms of the tender offers.

Upon the terms and subject to the conditions of the tender offers, the Securities will be purchased at a purchase price of (i) \$1,020 per \$1,000 in principal amount of 2026 Debentures and (ii) \$1,015 per \$1,000 in principal amount of 2027 Debentures, in each case validly tendered and accepted for purchase, plus accrued and unpaid interest, if any, to, but not including, the date on which payment is made for the Securities that are purchased pursuant to the tender offers. The tender offers will each expire at 12:00 midnight, New York City time, on September 30, 2010, unless extended by Vornado (the “Expiration Time”). Any such extension will be followed by a public announcement no later than 9:00 a.m., New York City time, on the first business day after the previously scheduled applicable Expiration Time. Tendered Securities may be withdrawn prior to the applicable Expiration Time.

The tender offers are subject to certain customary conditions described in the Offer to Purchase. The tender offers are not conditioned upon the tender of any minimum principal amount of Securities. Vornado may, subject to applicable law, and as stated in the Offer to Purchase, amend, extend or terminate the tender offers.

Vornado has retained Goldman, Sachs & Co. to serve as the Dealer Manager and has retained Global Bondholder Services Corporation to serve as the information agent for the tender offers. Requests for documents may be directed to Global Bondholder Services Corporation by telephone at (212) 430-3774 or (866) 470-3900, or in writing at 65 Broadway — Suite 404, New York, NY, 10006, Attention: Corporate Actions. Questions regarding the tender offers may be directed to Goldman, Sachs & Co. at (800) 828-3182 (toll free) or (212) 902-5183.

None of Vornado, the Operating Partnership, the Board of Trustees of Vornado, the information agent or the Dealer Manager is making any recommendation as to whether holders of the Securities should tender or refrain from tendering Securities.

The complete terms and conditions of each tender offer are set forth in the Offer to Purchase that is being sent to holders of the Securities and is also available online on the Securities and Exchange Commission’s (the “SEC’s”) website at www.sec.gov as an exhibit to the Tender Offer Statement on Schedule TO filed by Vornado with the SEC on September 2, 2010.

This press release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell, or to solicit any consents related to, the Securities. The offers to purchase Securities will only be made pursuant to the Offer to Purchase and related letter of transmittal that Vornado has filed with the SEC and will be mailed to holders of Securities. Holders of Securities should read those materials carefully because they will contain important information, including the various terms of, and conditions to, the tender offers.

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.

####