

PRESS RELEASE

Contact:

Joseph Macnow
(201) 587-1000



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Vornado's operating results for quarter ended March 31, 2001.

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today reported that funds from operations for the quarter ended March 31, 2001 were \$81.9 million, or \$.84 per diluted share, compared to \$80.2 million, or \$.84 per diluted share, for the prior year's quarter.

Net income applicable to common shares for the quarter ended March 31, 2001 was \$46.8 million, or \$.52 per diluted share, versus \$47.5 million, or \$.54 per diluted share, for the quarter ended March 31, 2000.

This quarter's net income and funds from operations include (i) a charge of \$5.0 million or \$.05 per share for the costs of acquisitions not consummated and (ii) a charge of \$4.7 million or \$.04 per share resulting from the write-off of an equity investment in a technology company. Funds from operations before these items was \$91.6 million, or \$.93 per diluted share.

Further, net income for the current year's quarter includes (i) the Company's share of Alexander's net gain on sale of real estate of \$6.3 million or \$.07 per share, (ii) the Company's share of Alexander's extraordinary gain on early extinguishment of debt of \$1.2 million or \$.01 per share and (iii) a charge of \$4.1 million or \$.04 per share resulting from the cumulative effect of the application of SFAS 133, 'Accounting for Derivative Instruments and Hedging Activities'.

Last year's first quarter net income includes a net gain on the sale of real estate of \$2.6 million or \$.03 per share and an extraordinary charge of \$1.1 million or \$.01 per share in connection with the prepayment of debt as part of a refinancing.

Vornado Realty Trust is a fully-integrated equity real estate investment trust.

VORNADO REALTY TRUST
OPERATING RESULTS FOR THE THREE MONTHS
ENDED MARCH 31, 2001

	<u>FOR THE THREE MONTHS ENDED</u>	
(amounts in thousands, except per share amounts)	March 31, 2001 (1)	March 31, 2000 (2)
Revenues.....	<u>\$ 242,610</u>	<u>\$ 195,279</u>
Income before cumulative effect of change in accounting principle extraordinary item.....	\$ 59,449	\$ 58,321
Cumulative effect of change in accounting principle.....	(4,110)	--
Extraordinary item.....	<u>1,170</u>	<u>(1,125)</u> (1)
Net income.....	56,509	57,196
Preferred stock dividends.....	<u>(9,673)</u>	<u>(9,673)</u>
Net income applicable to common shares.....	<u>\$ 46,836</u>	<u>\$ 47,523</u>
Funds from operations.....	<u>\$ 81,907</u>	<u>\$ 80,176</u>
Per Common Share:		
Net income		
Basic.....	<u>\$.54</u>	<u>\$.55</u>
Diluted.....	<u>\$.52</u>	<u>\$.54</u>
Average number of common shares and share equivalents outstanding.....	<u>89,381,000</u>	<u>87,755,000</u>
Funds from operations.....	<u>\$.84</u>	<u>\$.84</u>
Average number of common shares and share equivalents outstanding used for determining funds from operations per share.....	<u>97,399,000</u>	<u>95,773,328</u>

(1) Net income and funds from operations include (i) a charge of \$5.0 million or \$.05 per share for the costs of acquisitions not consummated and (ii) a charge of \$4.7 million or \$.05 per share resulting from the write-off of an equity investment in a technology company. Funds from operations before these items was \$91.6 million, or \$.93 per diluted share.

\$51.6 million or \$.93 per diluted share.

Further, net income for the current year's quarter includes (i) the Company's share of Alexander's net gain on sale of real estate of \$6.3 million or \$.07 per share, (ii) the Company's share of Alexander's extraordinary gain on early extinguishment of debt of \$1.2 million or \$.01 per share and (iii) a charge of \$4.1 million or \$.04 per share resulting from the cumulative effect of the application of SFAS 133 "Accounting for Derivative Instruments and Hedging Activities".

(2) Net income includes a net gain on the sale of real estate of \$2.6 million or \$.03 per share and an extraordinary charge of \$1.1 million or \$.01 per share in connection with the prepayment of debt as part of a refinancing.