

PRESS RELEASE

Contact:

Joseph Macnow
(201) 587-1000



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Vornado acquired Kmart's 50% interest in the Las Catalinas Mall in Puerto Rico.

SADDLE BROOK, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) announced today that it has completed its previously announced acquisition of Kmart's 50% interest in the Las Catalinas Mall located in Caguas, Puerto Rico (adjacent to San Juan). In addition, Vornado acquired 75% and Vornado's partner in the Mall acquired 25% of Kmart's anchor store. Vornado's purchase price of \$38,000,000, was fully financed with 15 year non-recourse debt. The Las Catalinas Mall, which opened in 1997, contains 485,000 square feet, including a 123,000 square foot Kmart and a 146,000 square foot Sears.

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