

Vornado Completes Acquisition of Retail Portion of Former Westbury Hotel in Manhattan

Company Release - 5/20/2005

PARAMUS, N.J.--(BUSINESS WIRE)--May 20, 2005--VORNADO REALTY TRUST (New York Stock Exchange: VNO) today announced that it has completed its previously announced acquisition of the retail condominium of the former Westbury Hotel for \$113 million. At the same time, the Company put an \$80 million mortgage loan on the property bearing interest at 5.292% and maturing in 2018. The remaining portion of the purchase price was funded as part of a Section 1031 tax-free "like-kind" exchange with a portion of the proceeds from the sale of the Company's 400 North LaSalle Residential Tower in April 2005.

This Manhattan property occupies the entire Madison Avenue blockfront between 69th and 70th Streets and contains approximately 17,000 square feet. This retail space is fully occupied by luxury retailers, Cartier, Chloe and Gucci under leases that expire in 2018.

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.

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SOURCE: Vornado Realty Trust