

Vornado to Acquire Option to Purchase Springfield Mall

Company Release - 10/31/2005

PARAMUS, N.J.--(BUSINESS WIRE)--Oct. 31, 2005--Vornado Realty Trust (NYSE:VNO) announced that it has entered into an option agreement to purchase the 1.4 million square foot Springfield Mall which is located on 79 acres of land at the intersection of Interstate 95 and Fraconia Road in Springfield, Fairfax County, Virginia, and is anchored by Macy's, J.C. Penney and Target. The option becomes exercisable upon the passing of one of the existing principals of the selling entity and may be deferred at the Company's election through November 2012.

The Company paid \$36 million for the option and upon exercise of the option will pay \$80 million and acquire the Mall, subject to the existing mortgage which is presently \$181 million and will be amortized to \$149 million in 2013 when it matures. During the option period Vornado will manage the Mall and receive the Malls' net cash flow. The Company has a 2.5% partner in this transaction.

The Company intends to redevelop, reposition and retenant the Mall.

The acquisition of the option, which is expected to close by the end of 2005, is subject to lender approval and customary closing conditions.

The Springfield Mall is located in the Washington D.C. metropolitan area where the Company has a 15.5 million square foot office portfolio.

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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