

Vornado Adjusts Purchase Price Accounting for its 32.95% Interest in Toys "R" Us Restructuring Costs

Company Release - 1/9/2006

PARAMUS, N.J.--(BUSINESS WIRE)--Jan. 9, 2006--VORNADO REALTY TRUST (NYSE:VNO) announced today that Toys "R" Us, Inc. ("Toys") plans to close 87 Toys "R" Us stores in the United States of which twelve stores will be converted into Babies "R" Us stores. As a result of the store closing program, Toys will record restructuring and other costs aggregating approximately \$155 million pre-tax, including \$45 million for the cost of liquidating the inventory. These estimated amounts are preliminary and remain subject to change. Of this amount, approximately \$99 million will be recorded in Toys' fourth quarter ending January 28, 2006, and \$56 million in the first quarter of their next fiscal year.

The leasing and disposition of the real estate of the 75 stores to be permanently closed will be handled by Vornado.

The closing of certain stores was contemplated when Vornado together with its partners acquired Toys in July 2005. Toys completed its determination of which stores would be closed after the 2005 holiday selling season. Vornado's one-third share of the \$155 million charge is \$51 million, of which \$36 million will have no income statement effect as a result of purchase price accounting. The remaining share relating to the cost of liquidating the inventory will be recorded as an after-tax \$9 million expense in the first quarter of 2006.

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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