

PRESS RELEASE

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Vornado's operating results for quarter ended September 30th, 2001.

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today reported:

Third Quarter-2001 Results

Funds from operations for the quarter ended September 30, 2001 was \$104.6 million, or \$1.05 per diluted share, compared to \$84.6 million, or \$.87 per diluted share, for the quarter ended September 30, 2000. Net income applicable to common shares for the quarter ended September 30, 2001 was \$67.9 million, or \$.74 per diluted share, versus \$58.4 million, or \$.65 per diluted share, for the quarter ended September 30, 2000.

Funds from operations and net income for the quarter ended September 30, 2001 include the following items: (i) a \$13.9 million after-tax net gain on the sale of condominiums and (ii) a charge of \$7.4 million from the write-off of the Company's entire net investment in the Russian Tea Room. Funds from operations before these items and after minority interest was \$99.0 million, or \$.99 per diluted share, a 13.8% increase over last year's \$.87 per diluted share.

Nine Months Ended-2001 Results

Funds from operations for the nine months ended September 30, 2001 was \$270.4 million, or \$2.75 per diluted share, compared to \$247.8 million, or \$2.57 per diluted share, for the prior year's period. Net income applicable to common shares for the nine months ended September 30, 2001 was \$171.6 million, or \$1.90 per diluted share, versus \$153.3 million, or \$1.73 per diluted share, for the prior year's period.

Funds from operations and net income for the nine months ended September 30, 2001, include (i) a charge of \$18.3 million resulting from the write-off of all of the Company's investments in technology companies, (ii) a charge of \$5.0 million for the costs of acquisitions not consummated, (iii) a \$13.9 million after-tax net gain on the sale of condominiums and (iv) a charge of \$7.4 million from the write-off of the Company's entire net investment in the Russian Tea Room. Funds from operations before these items and after minority interest was \$284.8 million, or \$2.90 per diluted share, a 12.8% increase over last year's \$2.57 per diluted share.

Further, net income for the nine months ended September 30, 2001 includes the following items: (i) gains on the sale of real estate of \$15.5 million, (ii) the Company's share of Alexander's net gain on sale of real estate of \$6.3 million, (iii) the Company's share of Alexander's extraordinary gain on early extinguishment of debt of \$1.2 million and (iv) a charge of \$4.1 million resulting from the cumulative effect of the application of SFAS 133, 'Accounting for Derivative Instruments and Hedging Activities'. These items aggregate \$18.9 million, or \$.21 per diluted share of income. Funds from operations does not include these items.

Net income for the nine months ended September 30, 2000 includes a net gain on the sale of real estate of \$11.0 million, or \$.11 per diluted share and an extraordinary charge of \$1.1 million, or \$.01 per diluted share in connection with the prepayment of debt as part of a refinancing. Funds from operations does not include these items.

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

VORNADO REALTY TRUST

OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2001

FOR THE THREE MONTHS ENDED

(amounts in thousands, except per share amounts)	September 30, 2001	September 30, 2000
Revenues	<u>\$ 250,265</u>	<u>\$ 215,495</u>
Net income	\$ 76,780	\$ 68,119
Preferred stock dividends	(8,904)	(9,672)
Net income applicable to common shares	<u>\$ 67,876⁽¹⁾</u>	<u>\$ 58,447</u>
Funds from operations	<u>\$ 104,607⁽¹⁾</u>	<u>\$ 84,629</u>
Per Common Share:		
Net income:	\$.74	\$.65

Basic	\$.78	\$.88
Diluted	\$.74	\$.65
Average number of common shares and share equivalents outstanding	92,058,891	89,713,419
Funds from operations	\$ 1.05	\$.87
Average number of common shares and share equivalents outstanding used for determining funds from operations per share	99,992,334	97,731,427

FOR THE NINE MONTHS ENDED

(amounts in thousands, except per share amounts)	September 30, 2001	September 30, 2000
Revenues	<u>\$ 738,950</u>	<u>\$ 609,239</u>
Income before cumulative effect of change in accounting principle and extraordinary item	\$ 202,341	\$ 183,393
Cumulative effect of changes in accounting principle	(4,110)	--
Extraordinary item	1,170	(1,125)
Net income	199,401	182,268
Preferred stock dividends	(27,769)	(29,017)
Net income applicable to common shares	<u>\$ 171,632⁽²⁾</u>	<u>\$ 153,251⁽³⁾</u>
Funds from operations	<u>\$ 270,445⁽²⁾</u>	<u>\$ 247,808</u>
Per Common Share:		
Net income:		
Basic	<u>\$ 1.96</u>	<u>\$ 1.77</u>
Diluted	<u>\$ 1.90</u>	<u>\$ 1.73</u>
Average number of common shares and share equivalents outstanding	<u>90,355,255</u>	<u>88,623,325</u>
Funds from operations	<u>\$ 2.75</u>	<u>\$ 2.57</u>
Average number of common shares and share equivalents outstanding used for determining funds from operations per share	<u>98,288,459</u>	<u>96,641,653</u>

(1) Funds from operations and net income for the quarter ended September 30, 2001 include the following items: (i) a \$13.9 million after-tax net gain on the sale of condominiums and (ii) a charge of \$7.4 million from the write-off of the Company's entire net investment in the Russian Tea Room. Funds from operations before these items and after minority interest was \$99.0 million, or \$.99 per diluted share, a 13.8% increase over last year's \$.87 per diluted share.

(2) Funds from operations and net income for the nine months ended September 30, 2001, include (i) a charge of \$18.3 million resulting from the write-off of all of the Company's investments in technology companies, (ii) a charge of \$5.0 million for the costs of acquisitions not consummated (iii) a \$13.9 million after-tax net gain on the sale of condominiums and (iv) a charge of \$7.4 million from the write-off of the Company's entire net investment in the Russian Tea Room. Funds from operations before these items was \$264.8 million, or \$2.90 per diluted share, a 12.8% increase over last year's \$2.57 per diluted share. Further, net income for the nine months ended September 30, 2001 includes the following items: (i) gains on the sale of real estate of \$15.5 million, (ii) the Company's share of Alexander's net gain on sale of real estate of \$6.3 million, (iii) the Company's share of Alexander's extraordinary gain on early extinguishment of debt of \$1.2 million and (iv) a charge of \$4.1 million resulting from the cumulative effect of the application of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities". These items aggregate \$18.9 million, or \$.21 per diluted share of income. Funds from operations does not include these items.

(3) Net income for the nine months ended September 30, 2000 includes a net gain on the sale of real estate of \$11.0 million, or \$.11 per diluted share and an extraordinary charge of \$1.1 million, or \$.01 per diluted share in connection with the prepayment of debt as part of a refinancing. Funds from operations does not include these items.

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.