

## Vornado's Fund Participates in the Recapitalization of the Crowne Plaza Hotel in Times Square

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PARAMUS, N.J.--(BUSINESS WIRE)-- VORNADO REALTY TRUST (NYSE:VNO) announced that a joint venture between Vornado's 25% owned real estate fund ("Vornado's Fund") and the owner of the property, has recapitalized the Crowne Plaza Hotel in Times Square.

This property is located at 48th Street and Broadway in Times Square and is comprised of a 795-key hotel, 15,000 square feet of prime retail space, 180,000 square feet of office space, nine large signage offerings, a 159-space parking garage and a health club. The new venture plans to reconfigure and reposition the retail and office space as well as add additional signage. Vornado will manage and lease the commercial components of the property and the Fund's partner will asset manage the hotel.

In May 2011, Vornado's Fund initiated this transaction by agreeing to acquire the \$34 million most junior tranche of the property's mezzanine debt. In December 2011, Vornado's Fund (\$31 million) and its partner (\$22 million) contributed new capital to pay down third party debt and for future capital expenditures. The new capital was contributed in the form of debt convertible into preferred equity that receives a priority return and then will receive a profit participation. Vornado's Fund has an economic interest of approximately 38% in the property. Vornado's Fund's investment is subordinate to the property's \$259 million of senior debt, which matures in December 2013 with a one-year extension option.

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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