

## Vornado Acquires Remaining 50% Interest in Real Estate Assets and Settles All Related Litigation

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PARAMUS, N.J.--(BUSINESS WIRE)--

VORNADO REALTY TRUST (NYSE:VNO)... In July 2005, Vornado acquired H Street Building Corporation which owns a 50% interest in real estate assets located in Pentagon City, Virginia and Washington, DC. Vornado announced today that it has acquired the corporations that own the remaining 50% interest in these assets for approximately \$383 million, consisting of \$323 million in cash and \$60 million of existing mortgages. These assets include twin office buildings located in Washington, DC, containing 577,000 square feet, and assets located in Pentagon City, Virginia comprised of 34 acres of land leased to three residential and retail operators, a 1,670 unit high-rise apartment complex and 10 acres of vacant land.

In conjunction with this acquisition all existing litigation has been dismissed.

Further, Vornado has agreed to sell approximately 19.6 of the 34 acres of land to the existing ground lessee in one or more closings over a two-year period for approximately \$220 million.

The total purchase price for 100% of the assets Vornado will own, after the anticipated proceeds from the land sale, is \$409 million, consisting of \$286 million in cash and \$123 million of existing mortgages.

Within the last two weeks Vornado has received letters from the two remaining ground lessees claiming a right of first offer.

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.

Source: Vornado Realty Trust

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