

PRESS RELEASE

Vornado and Rudin Announce Agreements with Respect to 350 Park Avenue and 40 East 52nd Street

New York City | December 9, 2022

Vornado Realty Trust (NYSE:VNO) and Rudin today announced that they have reached agreements with Citadel Enterprise Americas LLC (“Citadel”) and with an affiliate of Kenneth C. Griffin, Citadel’s Founder and CEO (“KG”), on a series of transactions relating to 350 Park Avenue and 40 East 52nd Street. Effectiveness of the agreements is subject to the receipt of certain third-party approvals which the parties expect to receive within the next 35 days.

Citadel will master lease Vornado’s 350 Park Avenue office building (585,000 square feet) on an “as is” basis for ten years, with an initial annual net rent of \$36 million, retroactive to June 15, 2022. Citadel will also master lease Rudin’s adjacent property at 40 East 52nd Street (390,000 square feet).

In addition, Vornado has entered into a joint venture with Rudin (“Vornado/Rudin”) to purchase 39 East 51st Street for \$40 million and, upon formation of the KG joint venture described below, will combine that property with 350 Park Avenue and 40 East 52nd Street to create a premier development site (collectively, the “Site”).

From October 2024 to June 2030, KG will have the option to either:

- acquire a 60% interest in a joint venture with Vornado/Rudin that would value the Site at \$1.2 billion (\$900 million to Vornado and \$300 million to Rudin) and build a new 1.7 million square foot trophy office tower (the “Project”) pursuant to East Midtown Subdistrict zoning with Vornado/Rudin as developer. KG would own 60% of the joint venture and Vornado/Rudin would own 40% (with Vornado owning 36% and Rudin owning 4% of the joint venture along with a \$250 million preferred equity interest in the Vornado/Rudin joint venture).
 - at the joint venture formation, Citadel or its affiliates will execute a pre-negotiated 15-year anchor lease with renewal options for approximately 850,000 square feet (with expansion and contraction rights) at the Project for its primary office in New York City;
 - the rent for Citadel’s space will be determined by a formula based on a percentage return (that adjusts based on the actual cost of capital) on the total Project cost;
 - the master leases will terminate at the scheduled commencement of demolition;
- or, exercise an option to purchase the Site for \$1.4 billion (\$1.085 billion to Vornado and \$315 million to Rudin), in which case Vornado/Rudin would not participate in the new development.

The parties intend to immediately commence design of the Project and process approvals.

Further, Vornado/Rudin will have the option from October 2024 to September 2030 to put the Site to KG for \$1.2 billion (\$900 million to Vornado and \$300 million to Rudin). For ten years following any put option closing, unless the put option is exercised in response to KG’s request to form the joint venture or KG makes a \$200 million termination payment, Vornado/Rudin will have the right to invest in a joint venture with KG on the terms described above if KG proceeds with development of the Site.

There can be no assurance that the agreements will be completed on the terms outlined above or at all.

About Vornado Realty Trust

Vornado Realty Trust is the preeminent owner, manager and developer of Office and Retail assets. Vornado’s portfolio is concentrated in the nation’s key market, New York City, along with premier assets in both Chicago and San Francisco. Vornado is also the real estate industry leader in sustainability. The Company owns and manages over 26 million square feet of LEED certified buildings.

About Rudin

The Rudin family controls one of the largest privately owned real estate companies in New York City. Founded in 1925 by Samuel Rudin and his siblings, and now led by the third and fourth generations, Rudin oversees the daily operations of 33 properties in New York City. The portfolio is comprised of 17 residential buildings totaling 4.7 million square feet and 16 commercial office buildings totaling 10.5 million square feet.

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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, including descriptions of the terms of the leases and joint venture arrangements with Rudin and KG, involve known and unknown risks, uncertainties and other factors which may cause the actual terms of such leases and agreements, results, performance or achievements of the Company to be materially different from any terms, future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of factors that could materially affect the outcome of Vornado’s forward-looking statements and its future results and financial condition, see “Risk Factors” in Part I, Item 1A, of Vornado’s Annual Report on Form 10-K for the year ended December 31, 2021. Such factors include, among others, risks associated with the performance of the Company’s properties and general competitive factors. Currently, some of the factors are the ongoing adverse effect of the COVID-19 pandemic, the increase in interest rates and inflation on Vornado’s business, financial condition, results of operations, cash flows, operating performance and the effect it has had and may continue to have on its tenants, the global, national, regional and local economies and financial markets and the real estate market in general. The extent of the impact of the COVID-19 pandemic will continue to depend on future developments, including vaccination rates among the population, the efficacy and durability of vaccines against emerging variants and governmental and tenant responses thereto, which continue to be uncertain, but that impact could be material. Moreover, you are cautioned that the COVID-19 pandemic will heighten many of the risks identified in “Item 1A. Risk Factors” in Part I of Vornado’s Annual Report on Form 10-K for the year ended December 31, 2021.