

Vornado to Acquire up to 44 Stores from Toys "R" Us

Company Release - 9/14/2006

PARAMUS, N.J.--(BUSINESS WIRE)--Sept. 14, 2006--

VORNADO REALTY TRUST (NYSE:VNO) today announced that it has entered into an agreement to purchase up to 44 previously closed Toys "R" Us stores for up to \$190 million. These properties, of which 21 are owned in fee, 8 are ground leased and 15 are space leased, aggregate 1.8 million square feet and are primarily located in eight east coast states, Texas and California. Of these properties, 26 are leased or subleased to other retailers and 18 are currently vacant. All of these stores were part of the store closing program announced by Toys "R" Us in January 2006.

This purchase, which is expected to close in the fourth quarter of 2006, is subject to landlords' consent, where applicable, and customary closing conditions. In the event that the conditions to closing are not met for substantially all of the properties, either party may cancel the agreement.

Vornado owns a 32.9% interest in Toys "R" Us. Vornado's share of the gain recognized by Toys "R" Us on this transaction will be reflected as an adjustment to the Company's basis in this investment and will not be recorded as income.

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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