

## Vornado Announces Public Offering of 3.625% Convertible Senior Debentures

Company Release - 11/15/2006

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

Vornado Realty Trust (NYSE:VNO) today announced that it has agreed to sell \$1 billion aggregate principal amount of 3.625% convertible senior debentures due 2026 pursuant to an effective registration statement. The aggregate net proceeds from this offering, after underwriters' discounts and expenses, are estimated to be approximately \$980 million. Banc of America Securities LLC is serving as the sole manager for this offering and has a 30-day option to purchase up to an additional \$150 million of debentures to cover any over-allotments.

The debentures will be convertible, under certain circumstances, for common shares of Vornado Realty Trust at an initial conversion rate of 6.5168 common shares per \$1,000 of principal amount of debentures. The initial conversion price of \$153.45 represents a premium of 30% to yesterday's \$118.04 closing price for Vornado's common shares.

The debentures will be redeemable at Vornado Realty Trust's option beginning in 2011 for the principal amount plus accrued and unpaid interest. Holders of the debentures will have the right to require the issuer to repurchase their debentures in 2011, 2016, and 2021 and in the event of a change in control. The payment of these debentures will be guaranteed by Vornado Realty L.P., the operating partnership through which Vornado Realty Trust conducts its business.

The net proceeds from the offering will be used for working capital and other corporate purposes.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission.

You may obtain a written prospectus, when available, by contacting Banc of America Securities LLC, Capital Markets (Prospectus Fulfillment) by e-mail to [dg.prospectus\\_distribution@bofasecurities.com](mailto:dg.prospectus_distribution@bofasecurities.com) or by mail to Banc of America Securities LLC, Capital Markets Operations, 100 West 33rd Street, 3rd Floor, New York, NY 10001.

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 transactions described above.

Source: Vornado Realty Trust

Contact: Vornado Realty Trust Joseph Macnow, 201-587-1000