

## PRESS RELEASE

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**Contact:**

Joseph Macnow  
(201) 587-1000



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**Vornado to expense stock options beginning in 2003**

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) announced today that beginning in 2003, it will expense stock options. If the Company had adopted this treatment this year, under the implementation rules as they currently exist, the 2002 expense associated with stock options would be approximately \$7.9 million, or \$.06 per share.

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.