

Vornado Redeems \$27.5 Million of 8.375% Series D-2 Cumulative Redeemable Preferred Units

Company Release - 1/5/2004

Paramus, New Jersey January 6, 2004

Vornado Realty Trust (NYSE:VNO) today announced that Vornado Realty L.P., the operating partnership through which Vornado Realty Trust conducts its business, has redeemed all of its 8.375% Series D-2 Cumulative Redeemable Preferred Units issued in 1999. The Preferred Units were redeemed at their par value of \$50.00 per unit for an aggregate of \$27.5 million. In conjunction with the redemption, the Company wrote-off \$700,000 of issuance costs.

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.