

Vornado Acquires 260 Eleventh Avenue Manhattan Office Property

Company Release - 8/3/2015

PARAMUS, NJ -- (Marketwired) -- 08/03/15 -- VORNADO REALTY TRUST(NYSE: VNO) announced today that it has acquired 260 Eleventh Avenue, a 235,000 square foot office property leased to the City of New York through 2021, a 10,000 square foot parking lot and additional air rights. The 44,000 square foot site is located on Eleventh Avenue from 26th to 27th Streets directly across from the Starrett Lehigh building.

The transaction is structured as a 99-year ground lease with an option to purchase the land for \$110 million. The \$3.9 million annual ground rent and the purchase option price escalate annually at the lesser of 1.5% or CPI. The buildings were purchased for 813,900 newly issued Vornado Operating Partnership Units valued at approximately \$80 million.

The Company intends to redevelop and expand the property to serve the supply constrained West Chelsea office market.

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.

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