



VORNADO

CHARLES E. SMITH

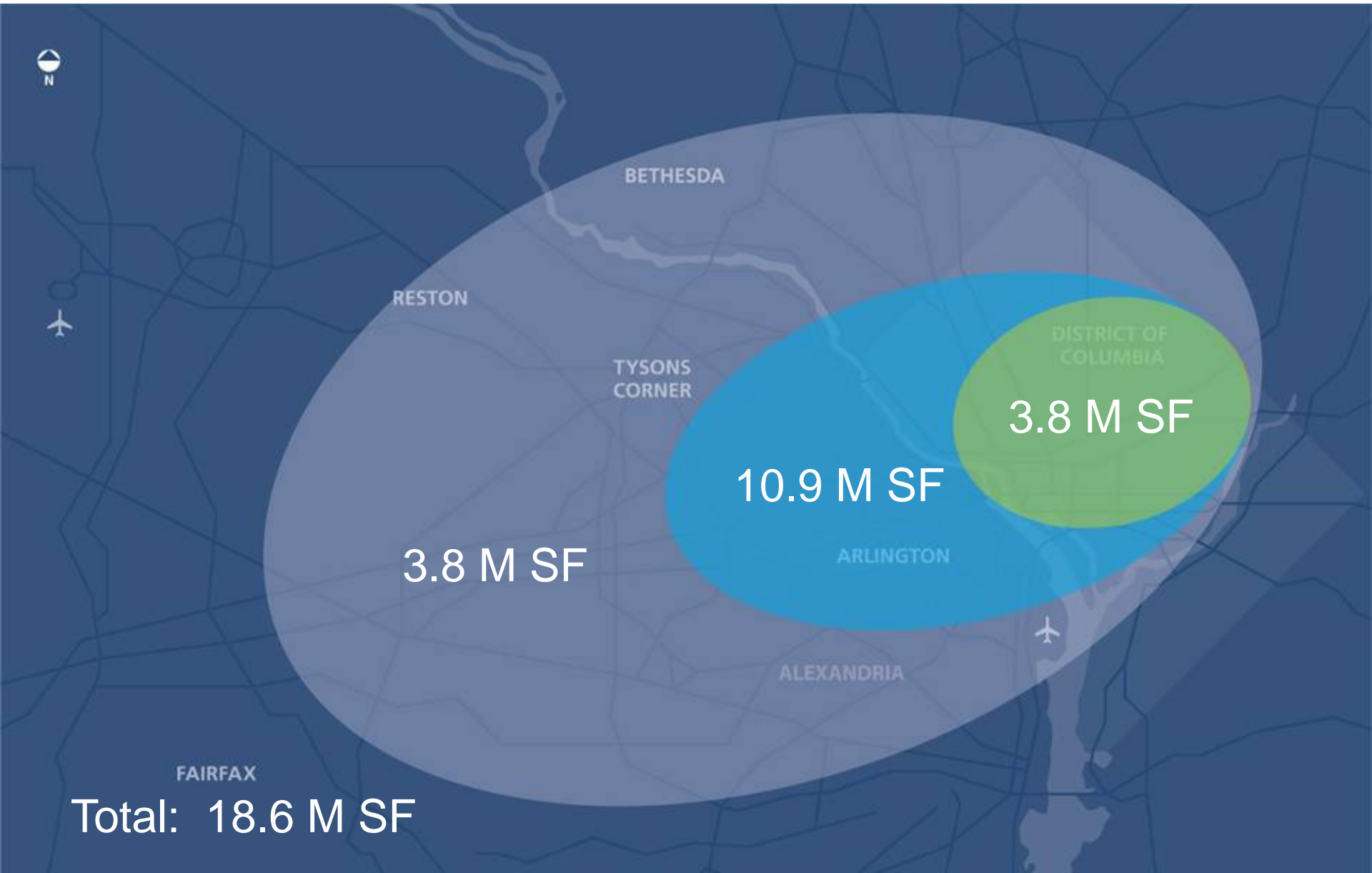
May 25, 2010

VORNADO/CHARLES E. SMITH: WASHINGTON DIVISION OF VORNADO REALTY TRUST

- 3rd Largest REIT in U.S.
- S & P 500 Constituent
- Four Major Divisions
 - **Washington** – 18 million SF; over 81 properties
 - **New York** – Over 16 million SF; 28 properties
 - **Retail** – 22 million SF; over 164 properties
 - **Merchandise Mart** – 8.9 million SF including Merchandise Mart in Chicago

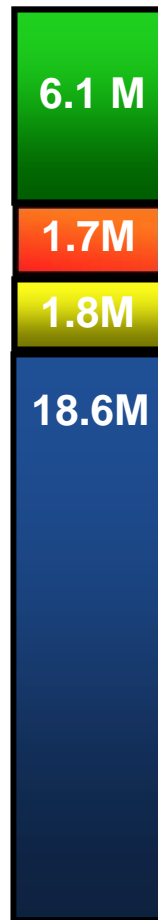


VORNADO DC PORTFOLIO IN WELL LOCATED STRONG SUBMARKETS



LARGEST REAL ESTATE OWNER IN DC REGION

28.2 M SF



Third Party Portfolio



Balance of Partial Owned



Other VNO Holdings

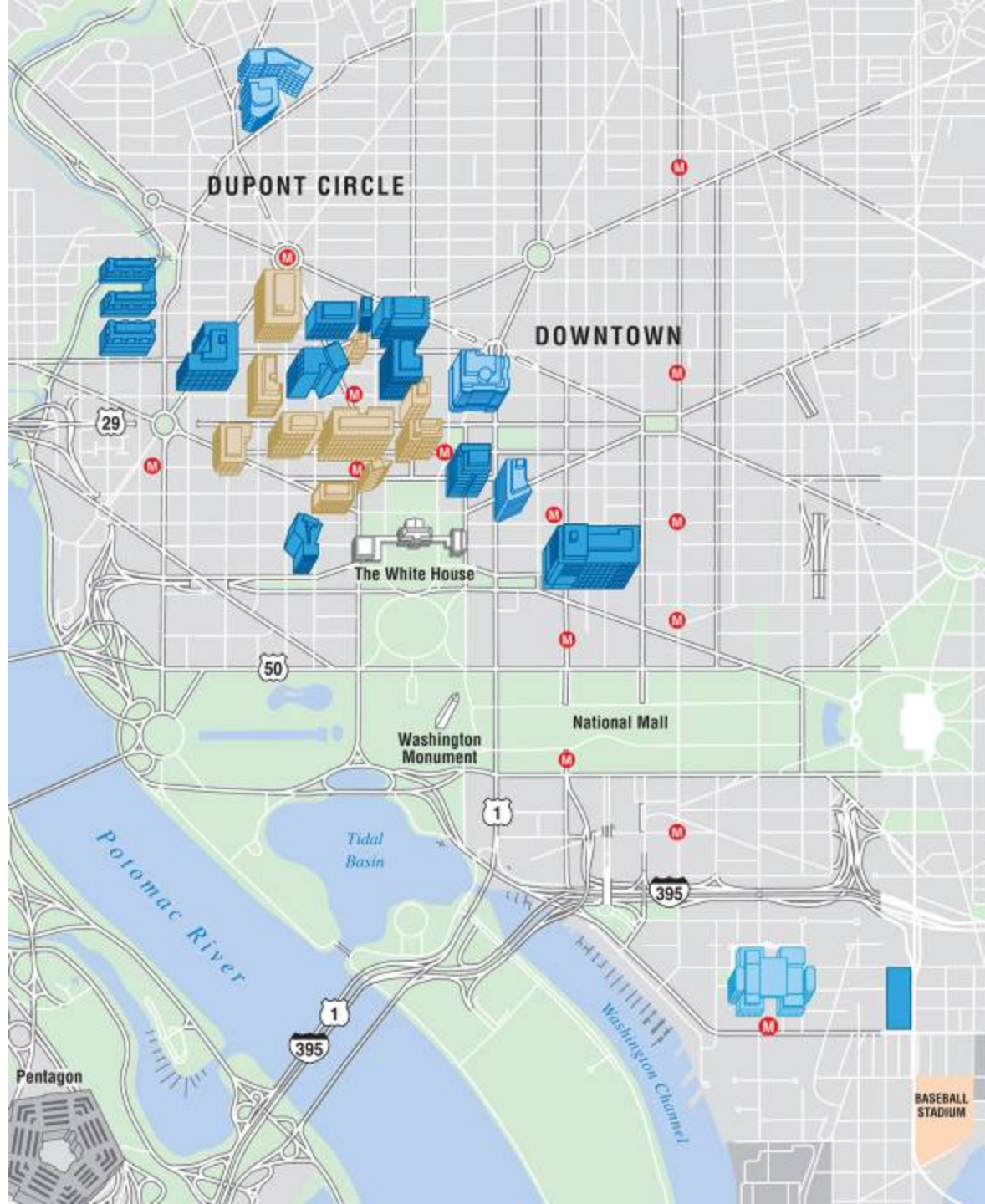
Entire DC Region

EXISTING PORTFOLIO

WASHINGTON, DC PORTFOLIO

3.8 M SF Owned

- Owned
- Partially Owned
- Managed



DC PORTFOLIO: TROPHY ASSETS, “A” LOCATIONS



The Warner



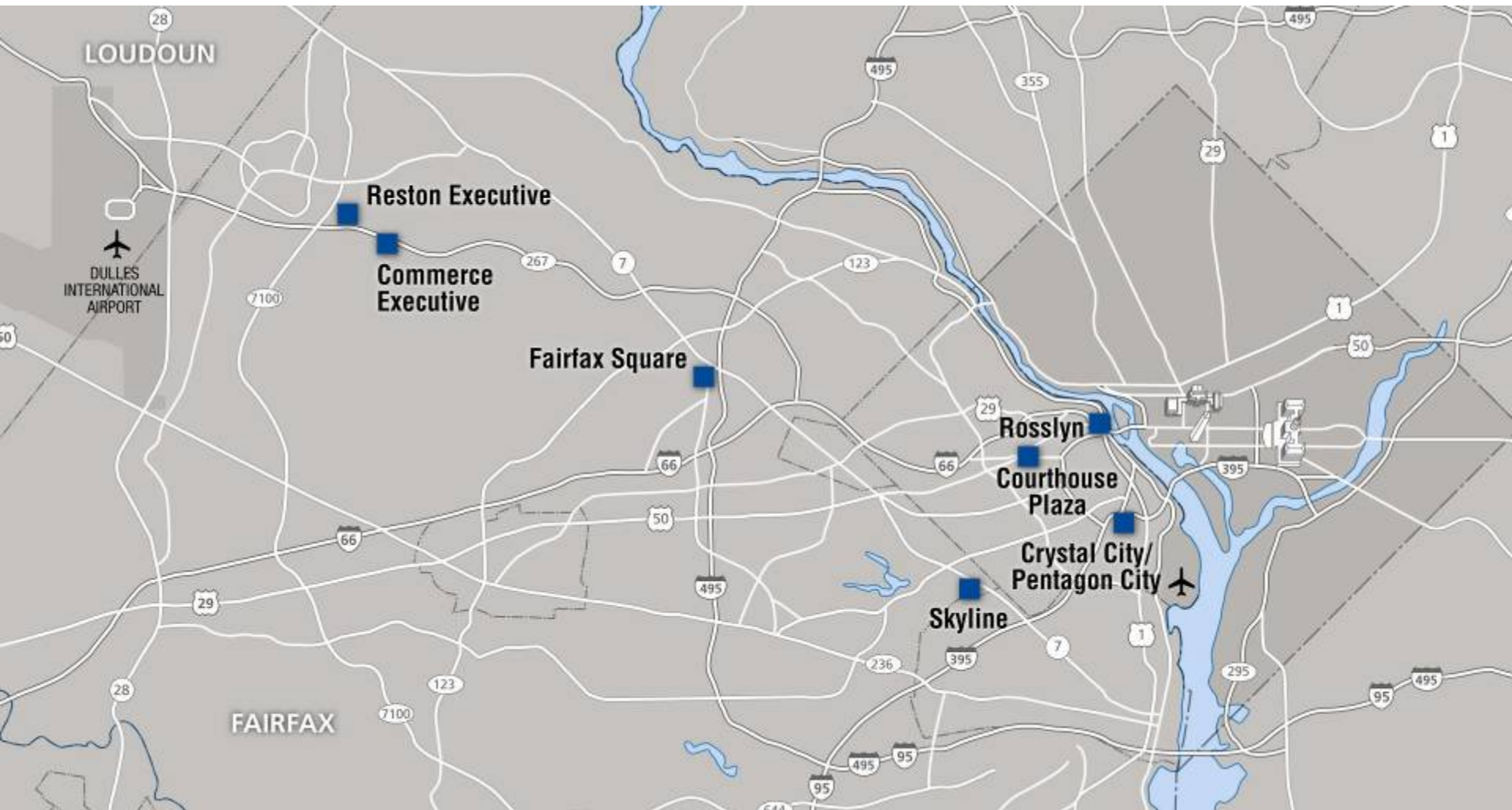
The Bowen Building



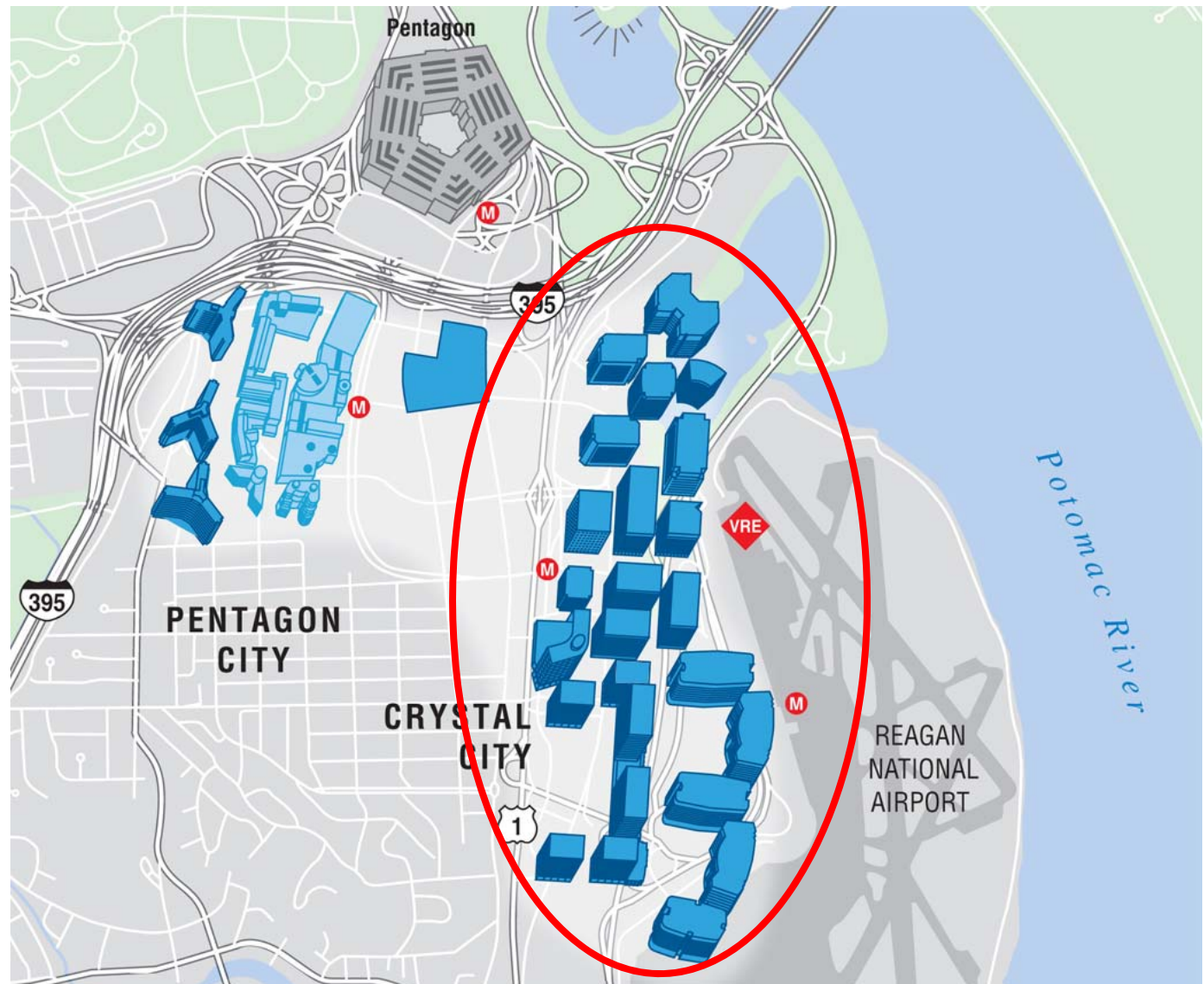
2101 L Street, NW

VNO IN NORTHERN VIRGINIA

Total of 14 M SF



CRYSTAL CITY



STRATEGIC LOCATION



The White House

The Pentagon

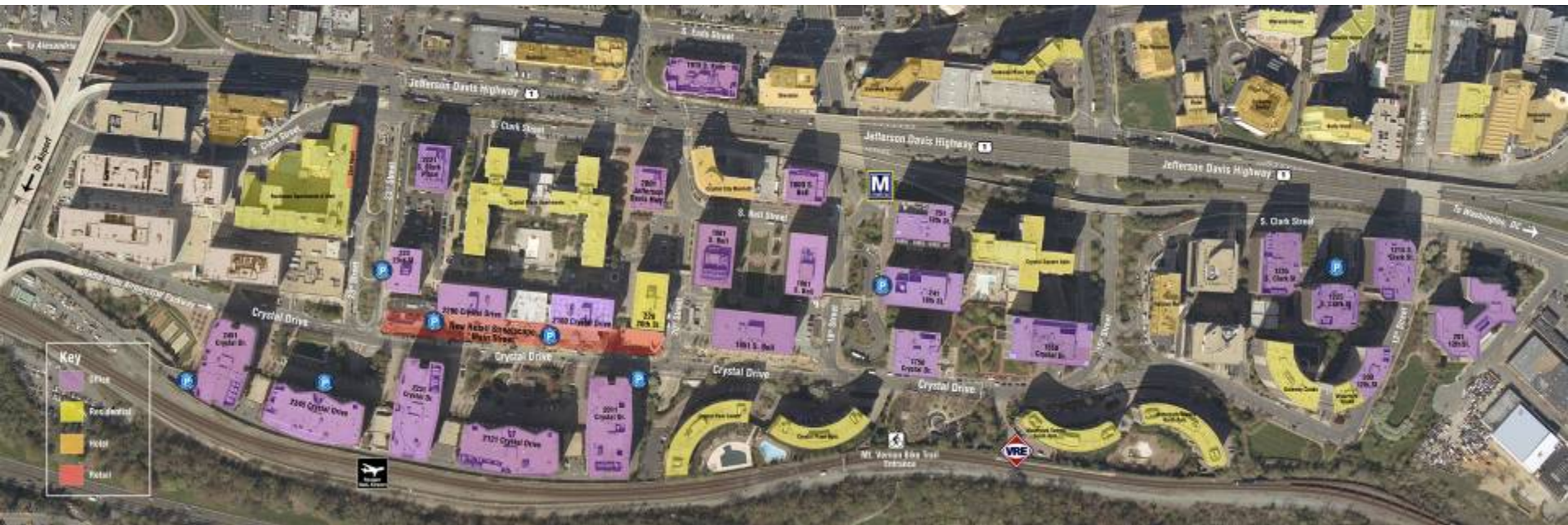
Jefferson Memorial

The Capitol

Reagan National

CrystalCity

VNO HOLDINGS IN CRYSTAL CITY: 7.7 MILLION SF



RETAIL “MAIN STREET”



- Kora
- Jaleo
- McCormick & Schmick's
- Bailey's Pub & Grill
- Cold Stone Creamery
- Caribou Coffee
- Chevy Chase Bank
- Neramitra Thai Cuisine
- Ted's Montana Grill
- Corner Bakery Café
- Cosi Café
- Noodles & Company
- Chick-Fil-A

96% LEASED IN VNO PORTFOLIO

Private Sector Appeal

(media, non profits, associations, etc.)

- PBS
- Conservation International
- NCB
- AMA
- Council on Foundations
- Community in Schools

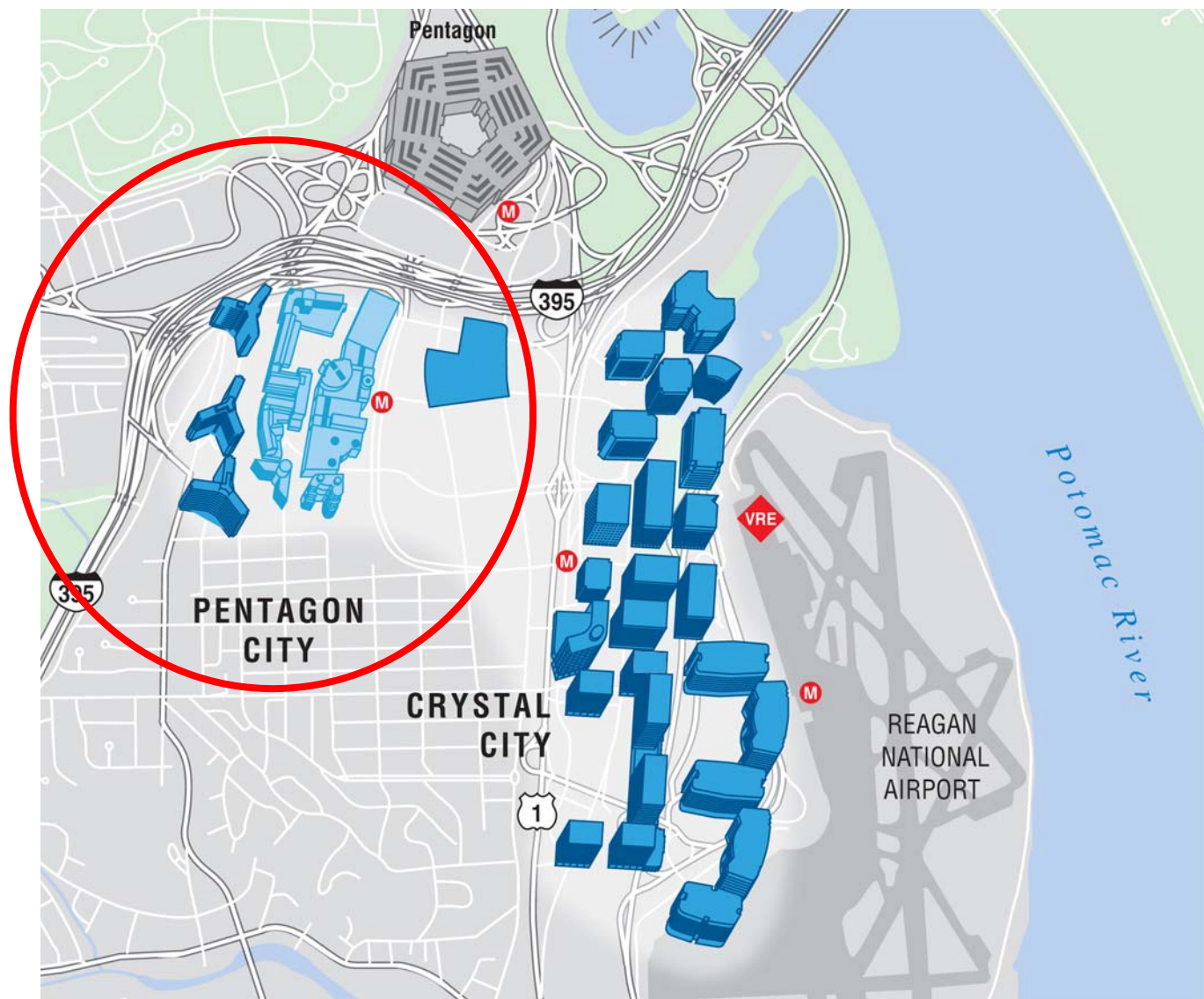


Government and Contractor Activity Strong

- Lockheed
- Boeing
- FBI
- Homeland Security
- Alion
- Winrock International
- Social Security



PENTAGON CITY



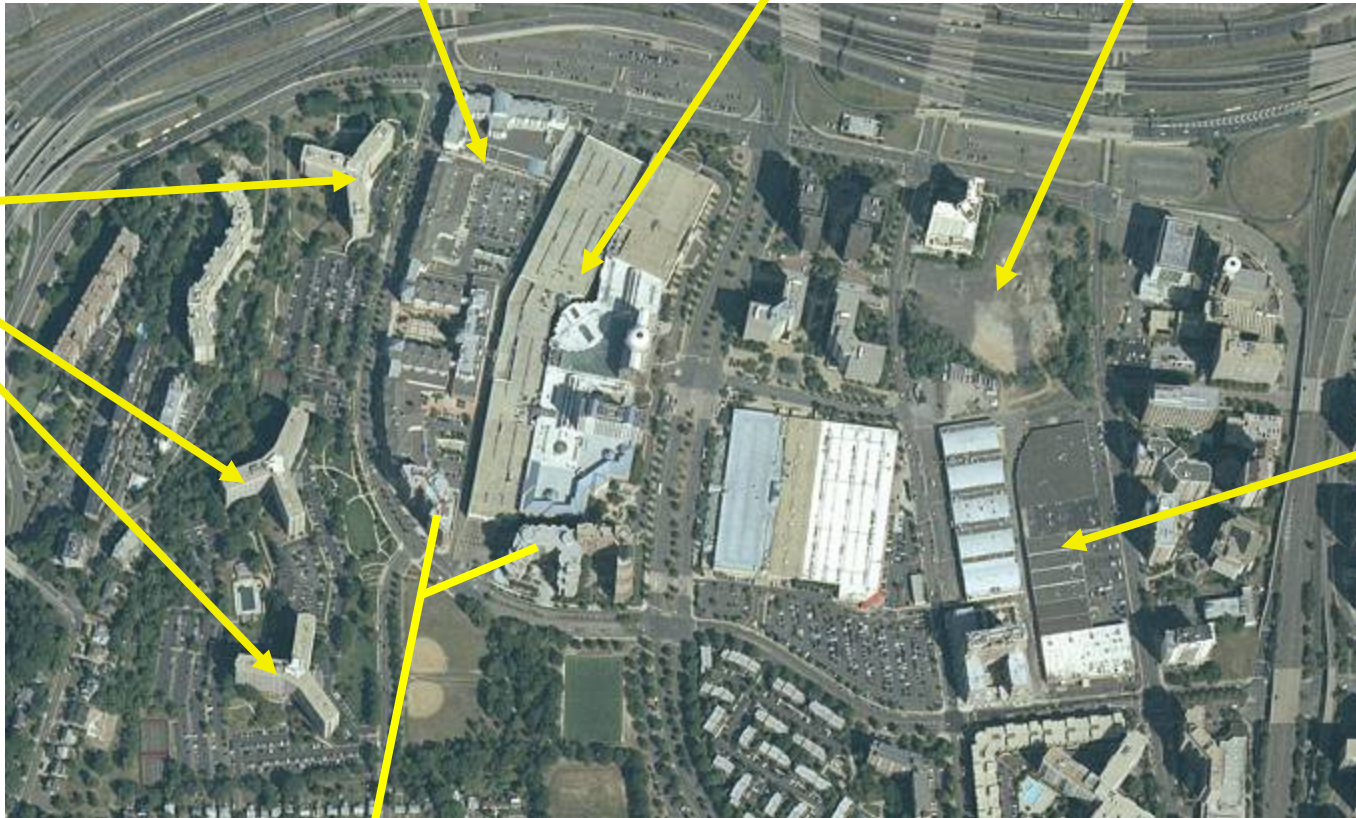
PENTAGON CITY INTERESTS

Pentagon Row
(ground lease)

Fashion Center
(7.5%)

PenPlace (10 acres land)
(to be developed)

**River
House
Apts.**



8 acres

Metropolitan 1 & 2
(sold to Kettler)

SKYLINE



2.5 MILLION SF MIXED-USE PROJECT



ARLINGTON COURTHOUSE PLAZA: 630,000 SF



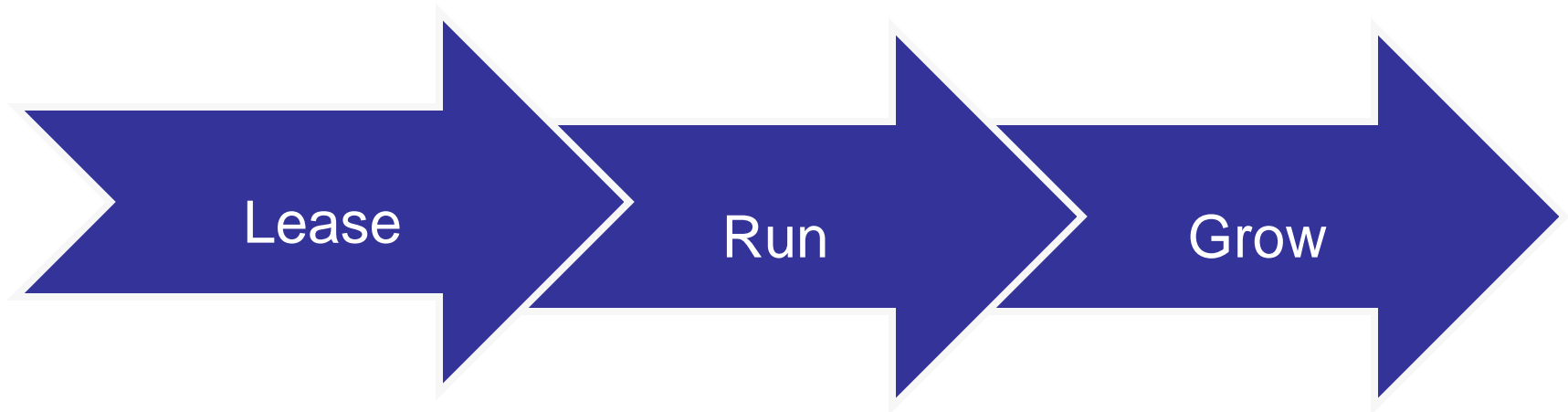
FAIRFAX SQUARE



RESTON PROPERTIES: 900,000 SF



HOW DO WE LEASE, RUN AND GROW?



LEASE, LEASE, LEASE

- 95% Occupancy Today
 - 2-3 Million Square Feet Leased Per Year
 - Ongoing Roll Plus New Developments
 - Focus on Renewals and New Deals
 - 10 Full Time Brokers and Supporting Cast
 - Legal
 - Lease Administration
 - Administration
 - Marketing
-

OPERATIONS & MANAGEMENT

OPERATIONS & MANAGEMENT:

RUN THE PORTFOLIO/RUN THE BUILDINGS

- 407 Employees in DC Region
 - Over 200 engineers and maintenance personnel
 - Over 90 in property services
 - Accounting (for our portfolio & 3rd party)
 - Construction Management
 - Supporting Team
 - H.R.
 - IT
 - Facilities



AWARD-WINNING PROPERTY SERVICES

- Grand TOBY Winner for Two Consecutive Years
- Diverse Range of Over 1,500 Tenants
- Focus on Quality, Service, and Professionalism

REAL ESTATE **BISNOW**

Simply the Best



On Wednesday, AOMA hosted the TOBY (The Office Building of the Year) Award luncheon at the JW Marriott. This year's GRAND Winner: the hard-working team from The Warner building downtown, owned and managed by Vornado/Charles E. Smith, now repeat winners (after last year's 1700 K Street team won). The Warner team scored a near perfect 97.3 of 100 points. Congrats!



INNOVATION IN OPERATIONS

- Automated Tenant Service Calls & Preventative Maintenance (WorkSpeed)
- Use KPI's to Drive Performance

“WHAT GETS MEASURED GETS DONE”

Monthly Executive Summary April 2010

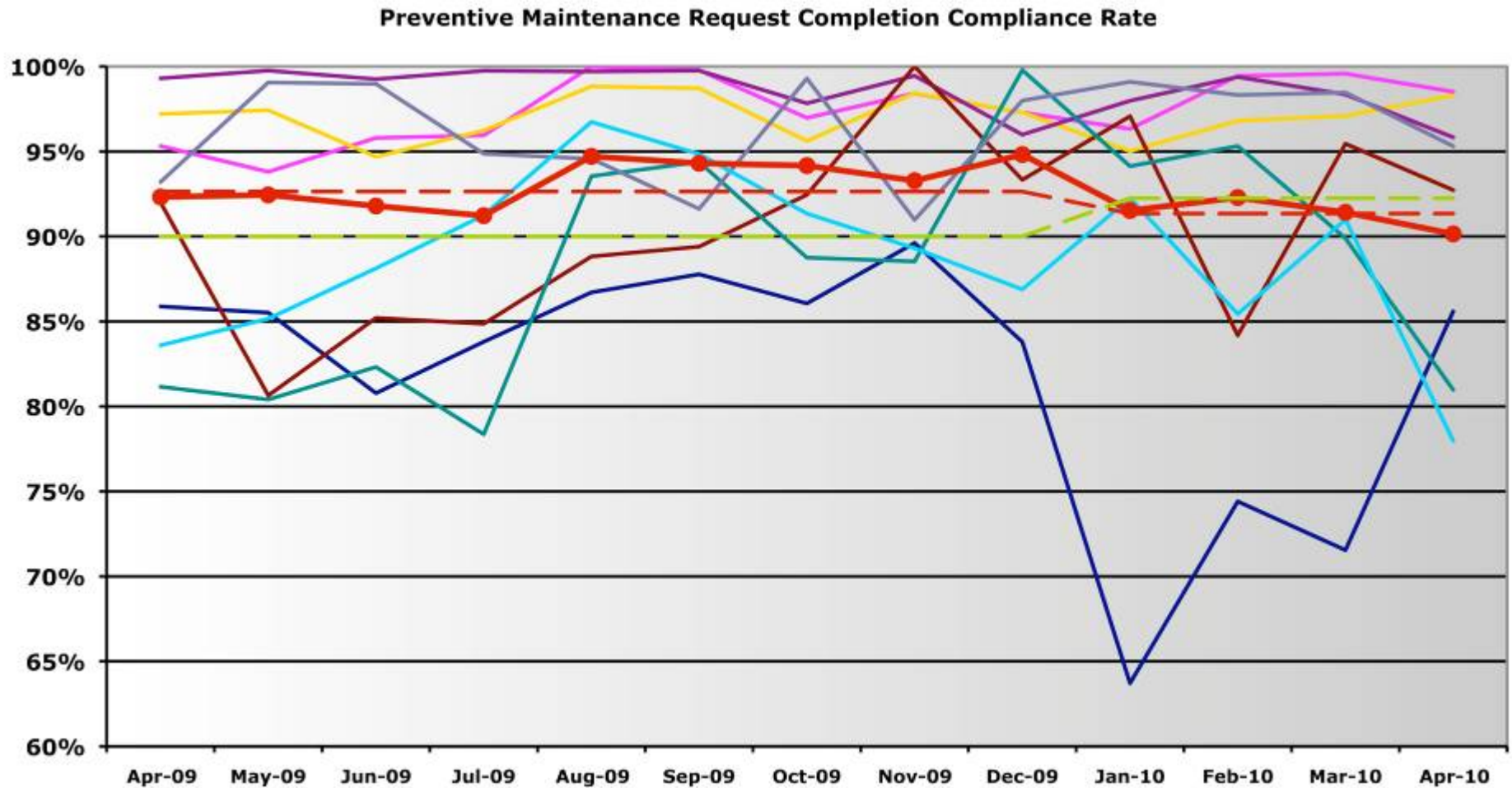
Statistics and General Observations:

<i>Key Performance Indicators (KPI's)</i>	<i>Report Period</i>	<i>Previous Period</i>	<i>Change</i>	<i>Last Year This Period</i>
MONTHLY REPORTS				
Total Requests	13,010	12,877	1.0%	12,890
Tenant Adoption Rate ¹	89.1%	90.2%	-1.2%	84.8%
Management Adoption Rate ²	59.9%	57.7%	3.8%	54.1%
Average SR Completion Duration	2.0 days	2.0 days	1.3%	1.8 days
Property Mgr. Inspection Compliance Rate	92.1%	94.0%	-2.1%	96.5%
Preventive Maintenance Compliance Rate	90.2%	91.4%	-1.4%	92.3%
Preventive Maint. Backlog/100,000 SF	3.1	2.6	13.7%	1.5
Action Required Snapshot (SRs/100K MSF)	3.2	3.2	2.0%	2.8
Total Requests/100,000 SF Aged 30+ Days	3.5	2.8	19.1%	1.5
Total Tenant Service Center-Initiated SR's	154	161	-4.5%	144
QUARTERLY REPORTS (Three months Ending)				
Proactive Requests/100K MSF (03/2010)	34.1	34.6	-1.5%	36.5
Average Cancelled SRs per Month (03/2010)	2.7	2.6	4.2%	2.6
Expired Leases (04/2010)	1	1	0.0%	2
Valid Lease ID Compliance (04/2010)	48%	48%	0.3%	N/A
Subleases (04/2010)	15	15	0.0%	15

- The top five most common SR types (*excluding Preventive Maintenance and Inspection*) were:

Maintenance	Lighting	Janitorial	Plumbing	Too Hot
12.8%	12.3%	7.5%	5.4%	5.2%

“WHAT GETS MEASURED GETS DONE”



INNOVATION IN OPERATIONS

- Centralized Energy Management
- Access Control Technologies
- Parking
- Daylight Cleaning
- Paperless A/P System
- P-Cards

TENANT SERVICE CENTER

- Central Command Center
- Managed 24/7 by Licensed Engineers
- Monitors and Controls 80 buildings—one of the largest and most sophisticated energy management centers in the U.S.
 - 27 Energy Star buildings
 - Energy curtailment program



OTHER SUSTAINABILITY INITIATIVES

- Expanded Recycling
- Green Newsletters
- Charge Bar at 2101 L Street
- LEED CI Tenants
 - USGBC
 - RTKL
 - Mayer Brown
 - Conservation International



A group of five people are posing for a photo at a social event. From left to right: a man in a light blue polo shirt and sunglasses; a woman in a black silk top and red skirt; a woman in a pink polo shirt and blue jeans; a woman in a black jacket and pink headband; and a woman in a black jacket and pink pants. They are all smiling and holding drinks. The background is a dimly lit room with yellow lanterns and a bar area.



DEVELOPMENT

RECENT DEVELOPMENT



1999 K Street, NW



2101 L Street, NW



800 17th Street/PNC Place



Waterfront Station

1999K STREET VALUE CREATION

- 150,000 SF, C, Building on A+, K Street Corner Transformed into a 250,000 SF Trophy Development
- First Helmut Jahn Building in Washington
- Fully Leased to Mayor Brown Nearly Two Years Before Delivery



1999K — DELIVERY AND SALE

- Delivered Fully Leased Trophy Building on Schedule (9/1/09)
- Closed on Sale to Deka
- Price: \$830/rsf
(2nd highest price in DC history)
- Cap Rate: 6.3%
- Retained Property Management
- Achieved LEED Gold Inside and Out
- WBJ's "Deal of the Year"



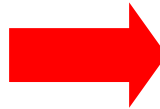




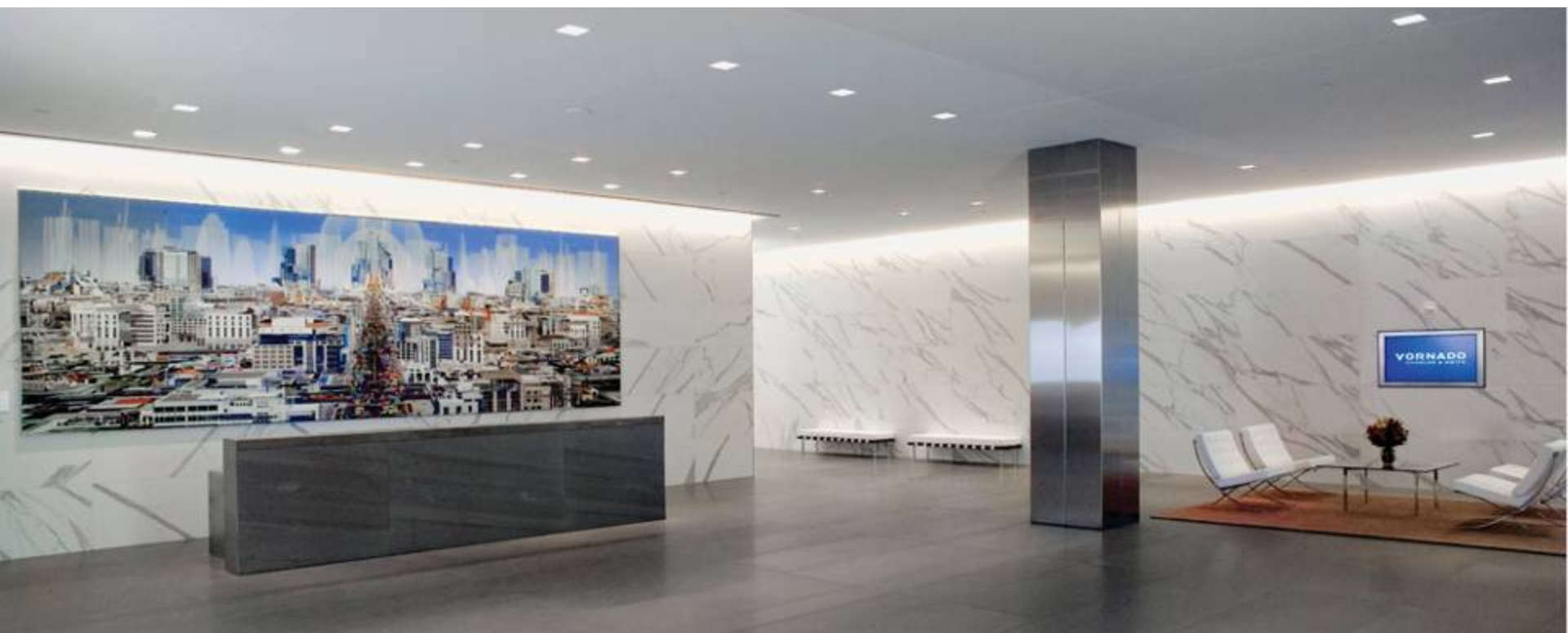


2101 L STREET, NW

- 380,000 SF Class A Redevelopment
- Retained Superstructure; 30 x 30 Columns
- Façade, Lobby, Systems, Curtainwall and Building Spaces Redesigned and Replaced
- Major Tenants: Greenberg Trauig, USGBC, RTKL, Cassidy & Pinkards/Colliers, AIA







800 17TH STREET/PNC PLACE

- 365,000 sf Trophy Office Building
- LEED Platinum Designed





WATERFRONT STATION OVERVIEW

- 2.5 Million SF
- 629,000 SF Just Delivered
- 500,000 sf Occupied by DC Government





RECENT DEVELOPMENT



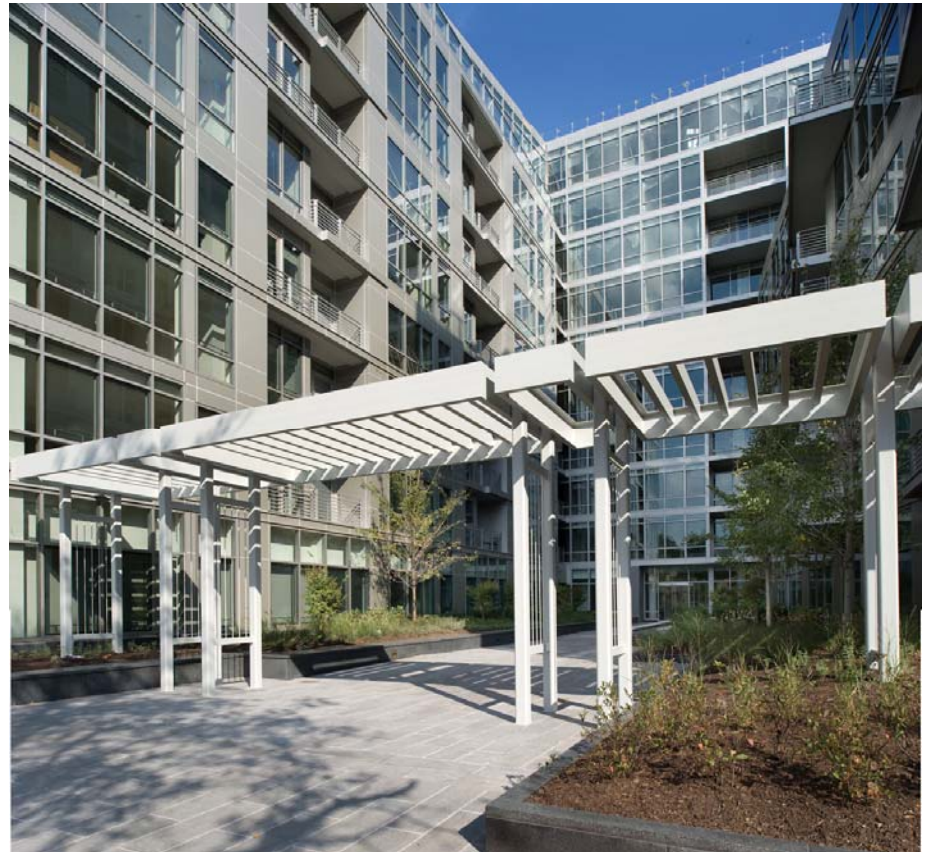
220 20th Street



WestEnd25

WESTEND25

- 10-story, 283-unit Luxury Rental Project
- A+ West End Residential Neighborhood
- Georgetown Views



CONVERSION OF TWO SIX-STORY OFFICE BUILDINGS





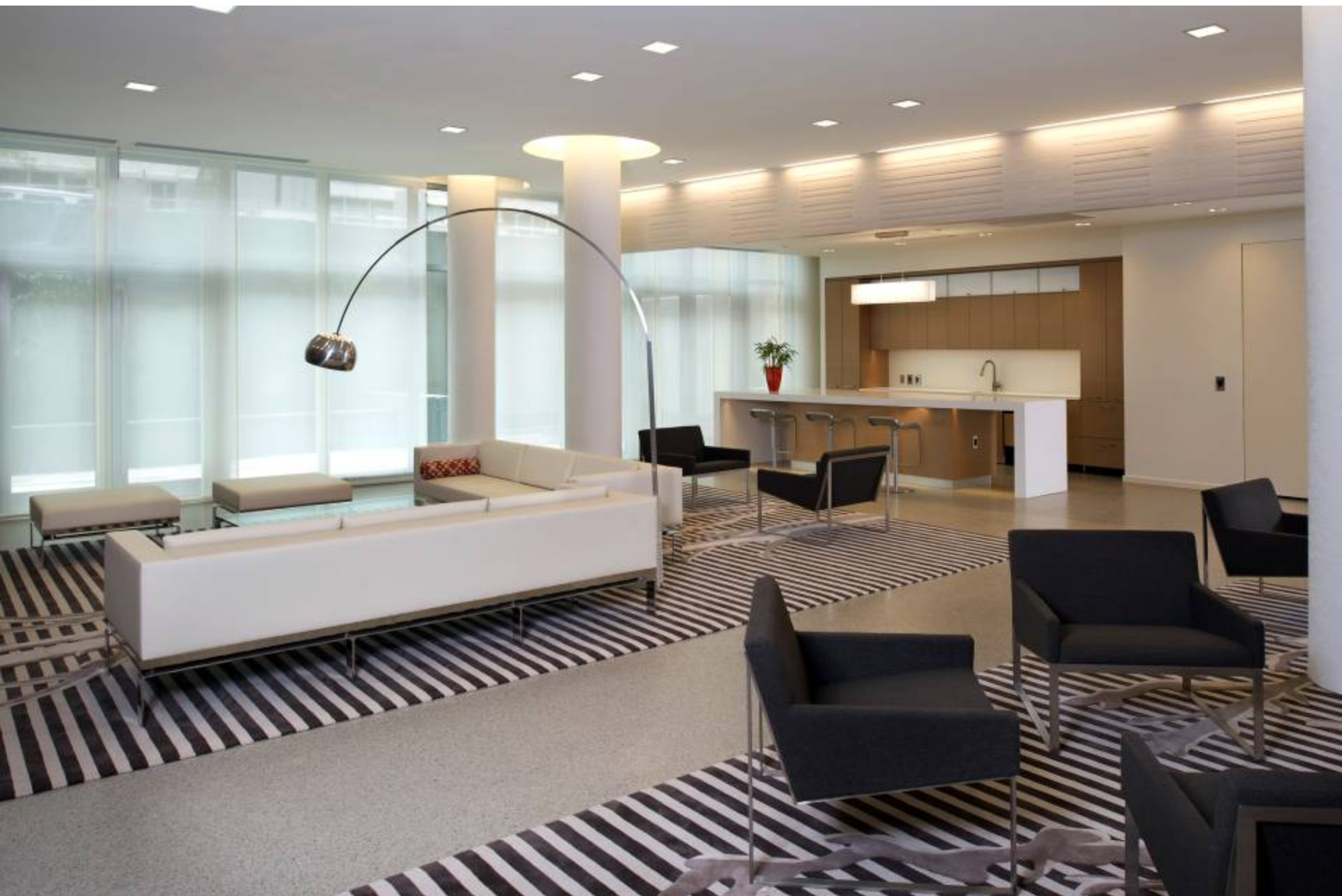


WESTEND25

- First Units Delivered September 1st
- 63% Leased
- Pursuing LEED-Gold: expected to be first in DC
- West End/NW Washington, DC Market Insulated from new supply in Ballpark District and NoMa
- Officially Launched on May 5th





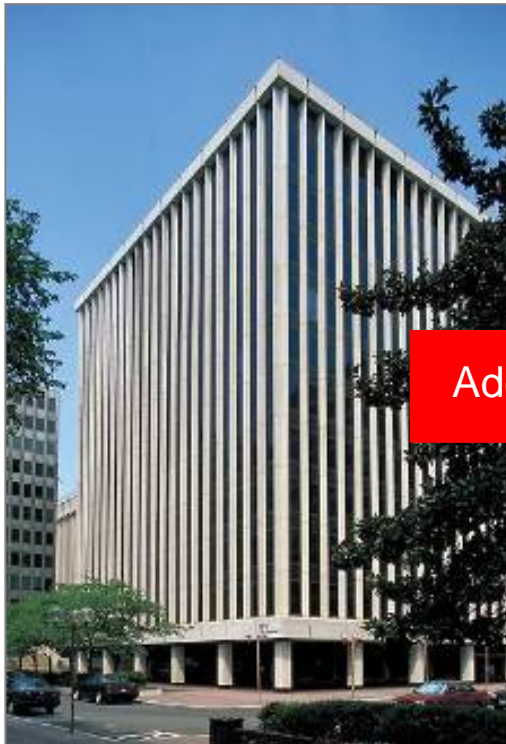


220 20TH STREET

HOK Design —next generation of quality development in Crystal City



13 Story — 200,000 SF
Office Building



19 Stories; 270,000 SF; 265
units

Luxury Rental Apartment
Building



Added 6 Floors

220 20TH STREET

- First Units Delivered June 2009
 - 92% Leased
 - Expected to Achieve LEED Certified
 - First Non-Smoking Building in Northern Virginia or DC
 - Award-Winning Adaptive Re-Use (DesignArlington, Delta Associates, WBJ Finalist)
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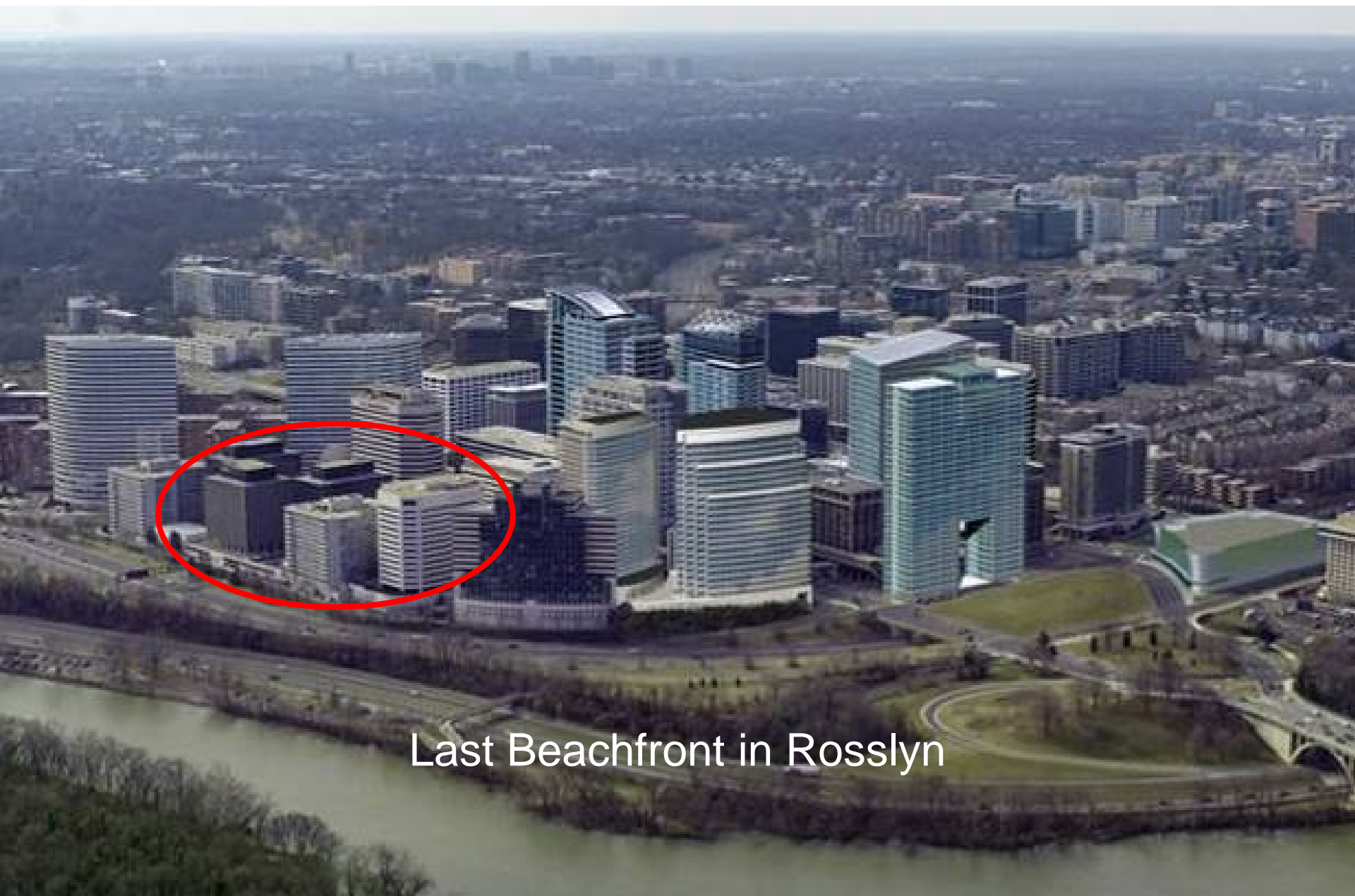




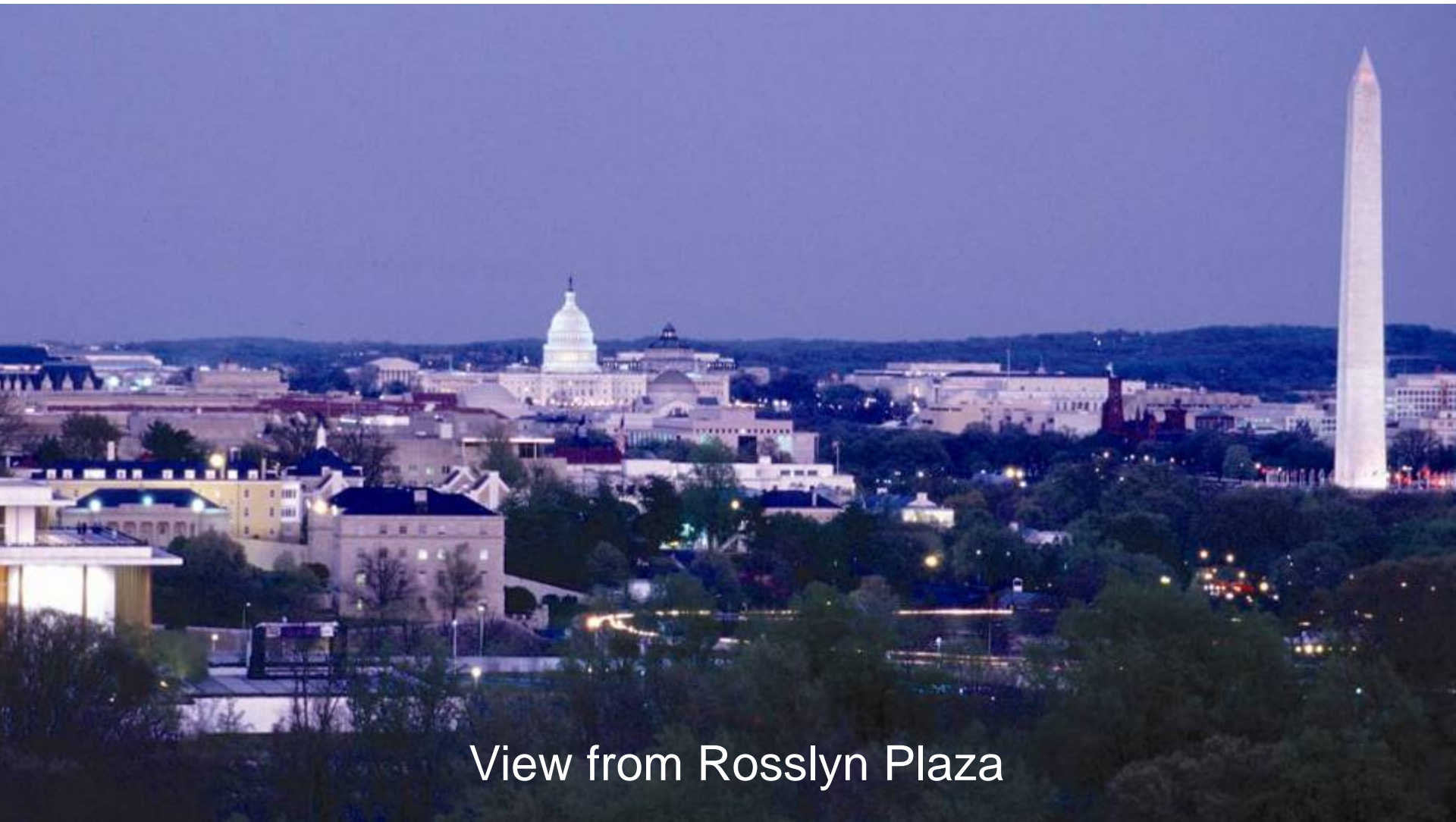
DEVELOPMENT PIPELINE

ROSSLYN PLAZA





Last Beachfront in Rosslyn



View from Rosslyn Plaza

ROSSLYN PLAZA

- 46% VNO Interest
 - Existing: 4 Office Buildings (714,000 sf)
2 Residential Buildings (196 units)
 - Mixed-use Development Potential of 2.5 Million sf
 - 4 Towers Envisioned with Retail “Main Street”
 - In Entitlement Process
-

PENTAGON CITY

PenPlace



PENPLACE – VIEWS



PENPLACE – CONCEPTUAL PLAN



CRYSTAL CITY

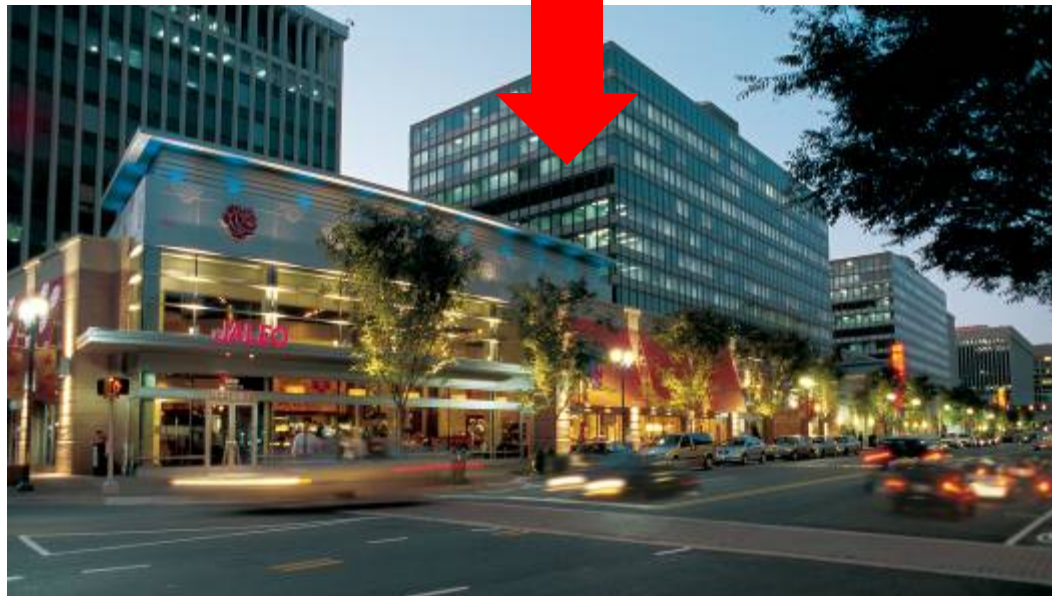


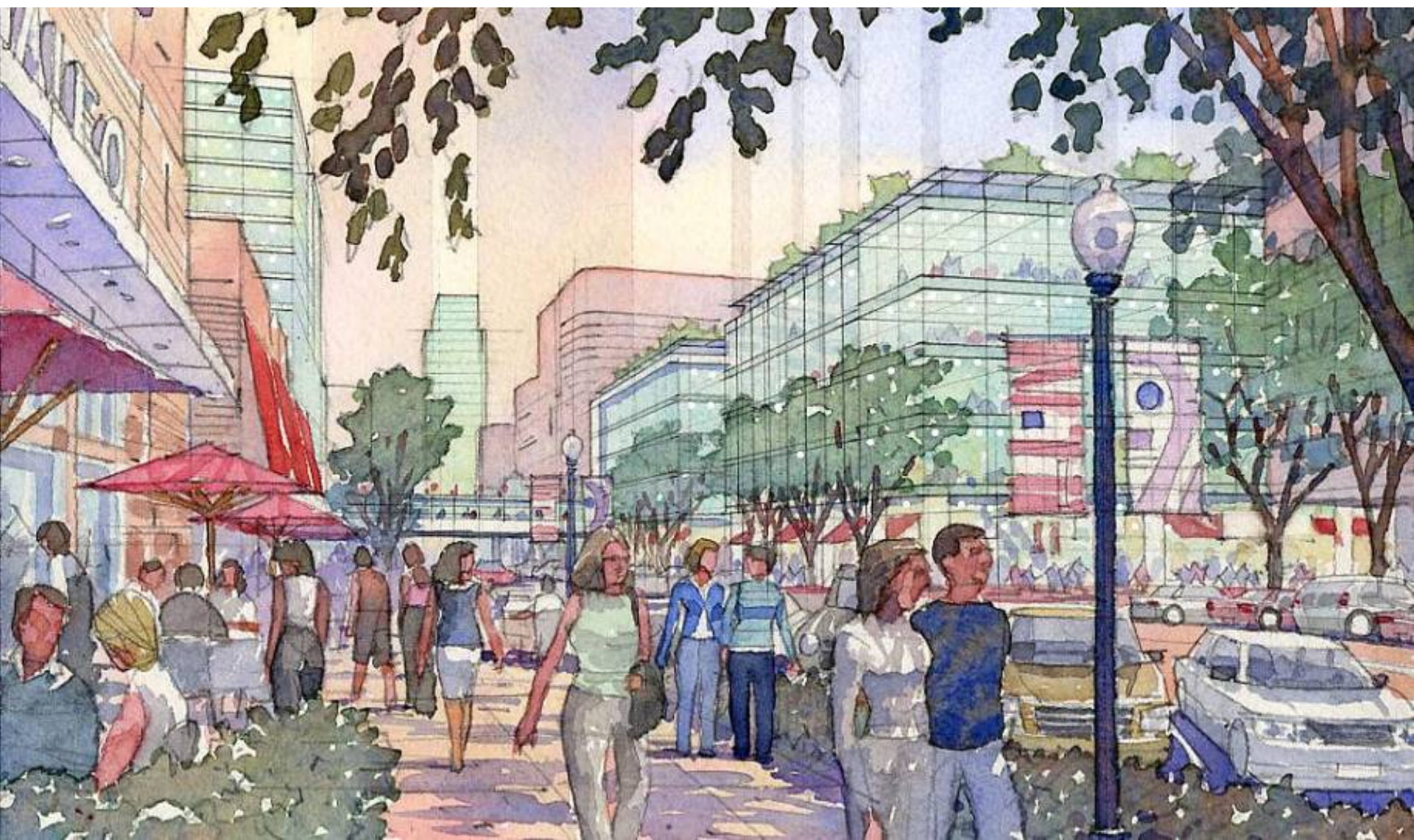
CRYSTAL CITY FUTURE PLANNING

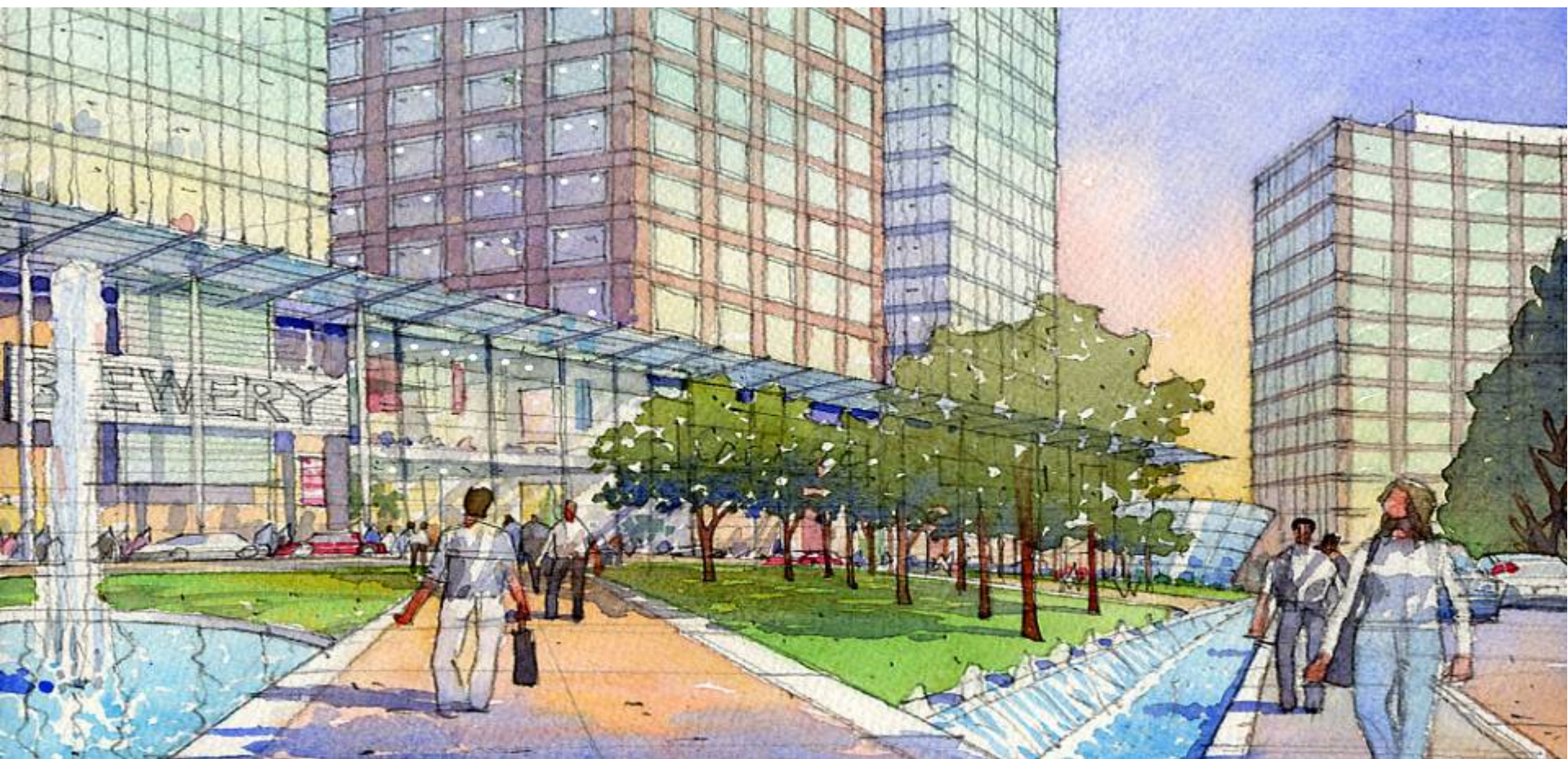
- 30-Year Development Policy Approved in December 2008 by Arlington County
- New Sector Plan Being Finalized in 2010
- More Density, More Height, More Residential, More Urban



MAIN STREET







SUMMARY

SUMMARY

- Strong Vornado Backbone
 - Large Portfolio Focused in Close-in Submarkets
 - Focus on Quality, Best-in-Class Operations
 - Development Focused on Strategic Infill Locations and Major “Market-Maker” Long-term Projects
-



VORNADO

CHARLES E. SMITH

May 25, 2010