



JBG SMITH

NAIOP BEHIND THE SCENES

DISCLOSURES

General Disclaimer of JBG Information

JBG Properties Inc., (together with its affiliates and managed funds, “JBG”) information included in this presentation has been provided to Vornado Realty Trust (“Vornado”) by JBG in connection with the proposed transaction. Vornado has not verified the accuracy or completeness of the JBG information. Certain of the JBG information is based solely on JBG’s estimates using data available to JBG and assumptions made by JBG and JBG’s current business plans and may change. In certain instances, these estimates and assumptions have been used as a basis to derive asset values and potential future property-level net operating income (“NOI”) and potential future earnings before interest, taxes, depreciation and amortization (“EBITDA”). As is the case with any estimate or assumption, there can be no assurance that the estimates or assumptions are correct or that the NOI or EBITDA will be achieved. You are cautioned not to place undue reliance on these estimates or assumptions or information derived therefrom.

The information included in this presentation about JBG SMITH Properties, a Maryland real estate investment trust ("JBG SMITH" or the “Company”), assumes the completion of the spin-off of Vornado’s Washington, DC segment into JBG SMITH and the subsequent combination of JBG’s management business and certain Washington, DC metropolitan area assets. References to JBG SMITH's historical business and operations refer to the business and operations of the office, multifamily and other commercial assets to be contributed by Vornado and JBG. Currently, JBG SMITH has de minimis assets and no operating history. Unless otherwise indicated, all financial data and other statistics are presented on a pro forma basis for completion of the transaction.

Forward-Looking Statements

Certain statements contained herein may constitute “forward-looking statements” as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Consequently, the future results, financial condition and business of Vornado and of the planned spin-off entity JBG SMITH may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as “approximate”, “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, “would”, “may” or similar expressions in this press release. We also note the following forward-looking statements: in the case of our construction and near-term development pipeline, the estimated completion date, stabilization date, estimated incremental investment, total investment, projected NOI, targeted NOI yield, estimated stabilized value and estimated value creation; our placemaking plans for Crystal City; estimates of future capital expenditures, and dividends to common shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. These factors include, among others: uncertainties as to the timing of the spin-off and the combination with JBG (the “Transactions”) and whether they will be completed, the possibility that various closing conditions to Transactions may not be satisfied or waived, the expected tax treatment of the Transactions, the composition of JBG SMITH’s portfolio following the completion of the Transactions, the possibility that third-party consents required to transfer certain properties in the Transactions will not be received, the impact of the Transactions on the business of JBG SMITH, adverse economic conditions in the Washington, DC metropolitan area, the timing of and costs associated with development and property improvements, financing commitments, and general competitive factors. For further discussion of factors that could materially affect the outcome of our forward-looking statements and other risks and uncertainties, see “Risk Factors” and the Cautionary Statement Concerning Forward-Looking Statements in JBG SMITH’s preliminary Information Statement dated as of June 9, 2017 (the “Information Statement”). For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this presentation.

This presentation does not constitute an offer or solicitation to sell or purchase any securities of the Company. By accepting this presentation, the recipient agrees that neither it nor its agents, representatives, directors or employees will copy, reproduce or distribute to others this presentation, in whole or in part, at any time without the prior written consent of the Company.

Pursuant to the Master Transaction Agreement, the composition of the JBG SMITH portfolio and the nature and amount of its interests in properties that comprise it are subject to change between now and completion of the transaction. There can be no assurance that the transaction will close and, if it does, whether the properties discussed herein will be included as set forth herein or at all.

In connection with the transactions referred to in this communication, JBG SMITH has filed a registration statement on Form 10, which contains the Information Statement, with the U.S. Securities and Exchange Commission. Free copies of such registration statement, the Information Statement and other documents filed by Vornado and JBG SMITH with the SEC may be obtained through the website maintained by the SEC at www.sec.gov.

Market Data

Market data and industry forecast s are used in this presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be the reliable but the accuracy and completeness of the information is not assured. Neither the Company nor Vornado has independently verified any such information.

Pro Rata Information

We present certain financial information and metrics in this presentation “at JBG SMITH Share,” which refers to our ownership percentage of consolidated and unconsolidated assets in joint ventures (collectively, “partially owned entities”) as applied to these financial measures and metrics. Financial information “at JBG SMITH Share” is calculated on an entity-by-entity basis by applying our percentage economic interest to each applicable line item of that entity’s financial information. “At JBG SMITH Share” information, which we also refer to as being “at share,” “our pro rata share” or “our share,” is not, and is not intended to be, a presentation in accordance with GAAP. Given that approximately 30% of our assets, as measured by total square feet, are held through joint ventures, we believe this form of presentation, which presents our economic interests in the partially owned entities, provides investors important information regarding a significant component of our portfolio, its composition, performance and capitalization.

We do not control the unconsolidated joint ventures and do not have a legal claim to our co-venturers’ share of assets, liabilities, revenue and expenses. The operating agreements of the unconsolidated joint ventures generally allow each co-venturer to receive cash distributions to the extent there is available cash from operations. The amount of cash each investor receives is based upon specific provisions of each operating agreement and varies depending on certain factors including the amount of capital contributed by each investor and whether any investors are entitled to preferential distributions.

With respect to any such third-party arrangement, we would not be in a position to exercise sole decision making authority regarding the property, joint venture or other entity, and may, under certain circumstances, be exposed to economic risks not present were a third party not involved. We and our respective co-venturers may each have the right to trigger a buy-sell or forced sale arrangement, which could cause us to sell our interest, or acquire our co-venturers’ interests, or to sell the underlying asset, either on unfavorable terms or at a time when we otherwise would not have initiated such a transaction. Our joint ventures may be subject to debt, and the refinancing of such debt may require equity capital calls. To the extent our co-venturers do not meet their obligations to us or our joint ventures or they take action inconsistent with the interests of the joint venture, we may be adversely affected. Because of these limitations, the non-GAAP “at JBG SMITH Share” financial information should not be considered in isolation or as a substitute for our financial statements as reported under GAAP.



JBG SMITH
PROPERTIES

**12.4M Commercial SF +
4,232 Multifamily Units**
Operating Portfolio

**700K Commercial SF +
985 Multifamily Units**
Under Construction

**565K Commercial SF +
464 Multifamily Units**
Near-Term Development Pipeline

**6.3M Commercial SF +
12.0M Multifamily SF**
Future Development Pipeline

\$342M
Adjusted Annualized
1Q17 NOI

\$0.90⁽¹⁾
Expected Annualized Dividend

6.4x⁽²⁾
Net Debt / Adjusted EBITDA

Over 98%
Metro Served

All figures shown at share as of 03/31/17.

(1) Future dividends represent an estimate based on current expectations, however, future dividends will be determined by the Board of Trustees and will depend on future operating results and thus there can be no certainty of these expected dividend levels.

(2) Annualized Adjusted EBITDA for the three months ended 03/31/17. Net debt does not include a short term \$44M note receivable related to JBG's contribution of a note in lieu of 7770 Norfolk, a previously Included Asset, which is under contract to sell to JBG's joint venture partner and expected to close shortly following the JBG SMITH combination. Upon closing of the sale, JBG will repay the note to JBG SMITH. Including the \$44M as an adjustment to Net Debt, Net Debt/Adjusted EBITDA would be 6.2x.



953
EMPLOYEES

ALIGNED VALUES

COMMITTED TO OUR COMMUNITIES

Supporting communities is an inherent part of the JBG SMITH approach to being a good partner in the communities we serve. JBG SMITH is committed to giving back to the communities where we do business. Whether it is through monetary or in-kind donations or hundreds of hours of volunteer work, JBG SMITH Cares — and we are working to make a difference.

The Days of Giving is an annual effort where JBG SMITH employees receive paid time off to participate with the nonprofit of their choice. Initiated as a one-time effort coinciding with the firm's 50th anniversary, it is still going strong seven years later and growing each year. After the 2016 Days of Giving, employees celebrated surpassing the 12,000-volunteer hour milestone.



JBG SMITH PLATFORM

Rosslyn, Virginia

PLATFORM: LEADING DC REAL ESTATE OWNER AND OPERATOR

- Deep bench of mixed-use real estate expertise across office, multifamily, and retail
- Vertically integrated platform with track record of value creation across market cycles
- Size and scale to drive efficiencies
- Placemaking expertise maximizes value of high-density, Metro-served real estate
- Reputation for speed, certainty, creativity, and fair dealing lead to favorable economics

18.0M SF / 8,800 Units⁽¹⁾
Acquired since 1999

24.1M SF / 9,800 Units⁽¹⁾
Developed/Repositioned since 1999

15.7M SF / 5,800 Units⁽²⁾
Managed as of 03/31/17

3.7M SF⁽³⁾
Average Annual Commercial
Leased over past three years

11,000 Units⁽³⁾
Average Annual Multifamily
Leased over past three years

1221 Van Street Rooftop View
Washington, DC



Rendering

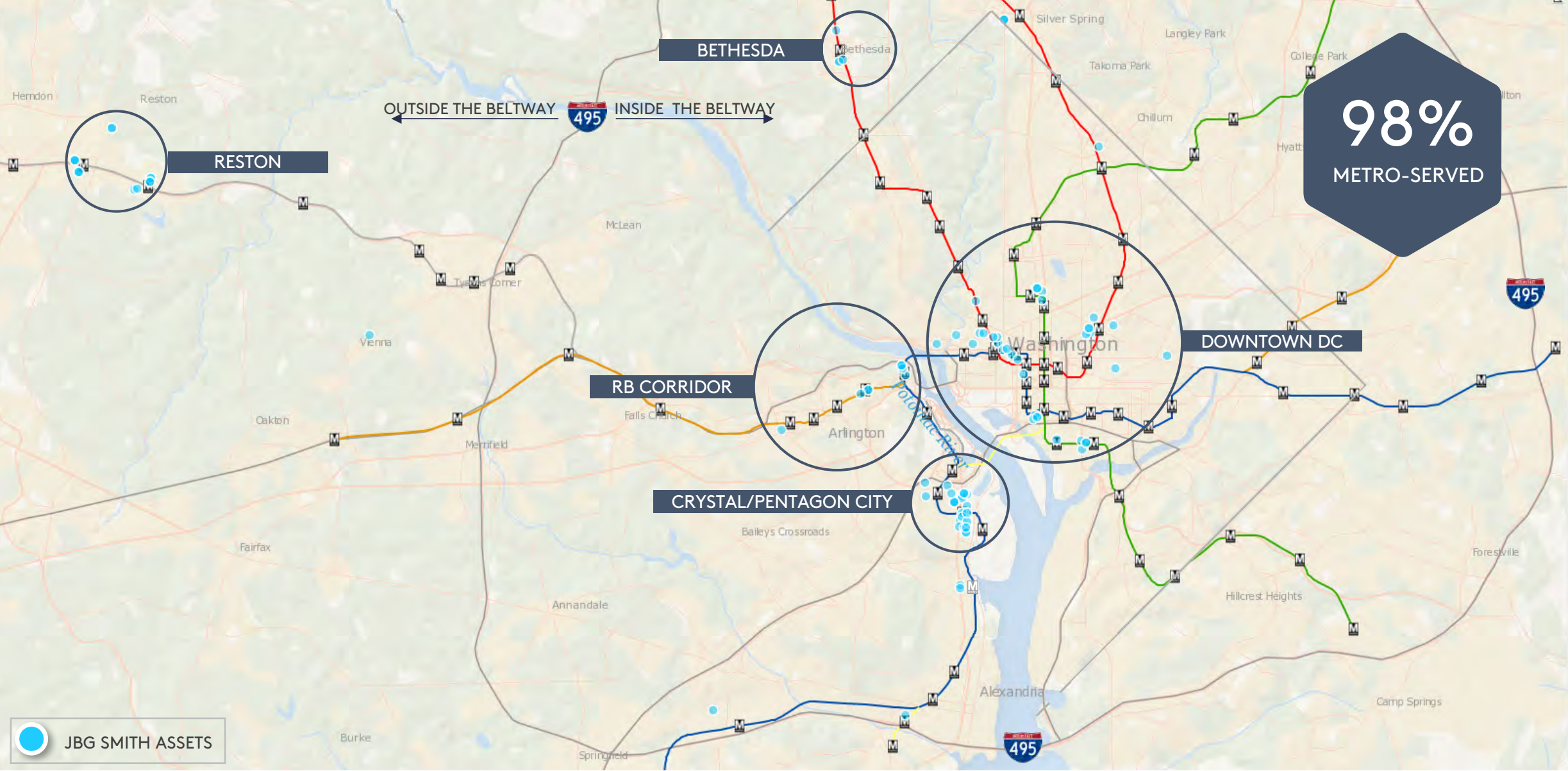
(1) Includes assets at 100% in which either JBG or Vornado/Charles E. Smith has made an equity investment.
(2) Includes third party assets managed by both the JBG and Vornado/Charles E. Smith management companies.
(3) Includes leasing at owned and third party assets managed by the JBG and Vornado/Charles E. Smith management companies.

JBG SMITH PORTFOLIO



800 North Glebe Road
Arlington, VA

PORTFOLIO: CONCENTRATION OF HIGH-QUALITY ASSETS IN THE BEST SUBMARKETS



PORTFOLIO: OFFICE PROPERTIES⁽¹⁾



800 N. Glebe Road • RB Corridor, VA



RTC-West • Reston Town Center, VA



1600 K Street • Washington, DC



2345 Crystal Drive • Crystal City, VA



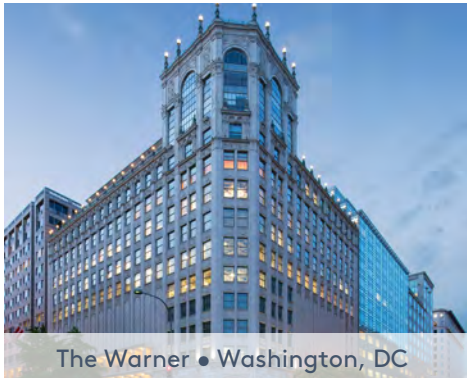
1233 20th Street • Washington, DC



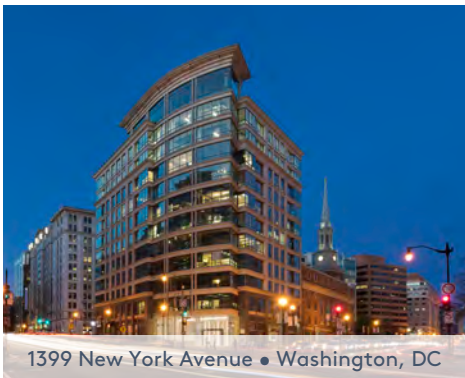
The Foundry • Washington, DC



The Bowen • Washington, DC



The Warner • Washington, DC



1399 New York Avenue • Washington, DC



241 18th Street • Crystal City, VA



Courthouse Plaza • RB Corridor, VA



201 12th Street • Crystal City, VA



2101 L Street • Washington, DC



1501 K Street • Washington, DC



7200 Wisconsin Avenue • Bethesda, MD

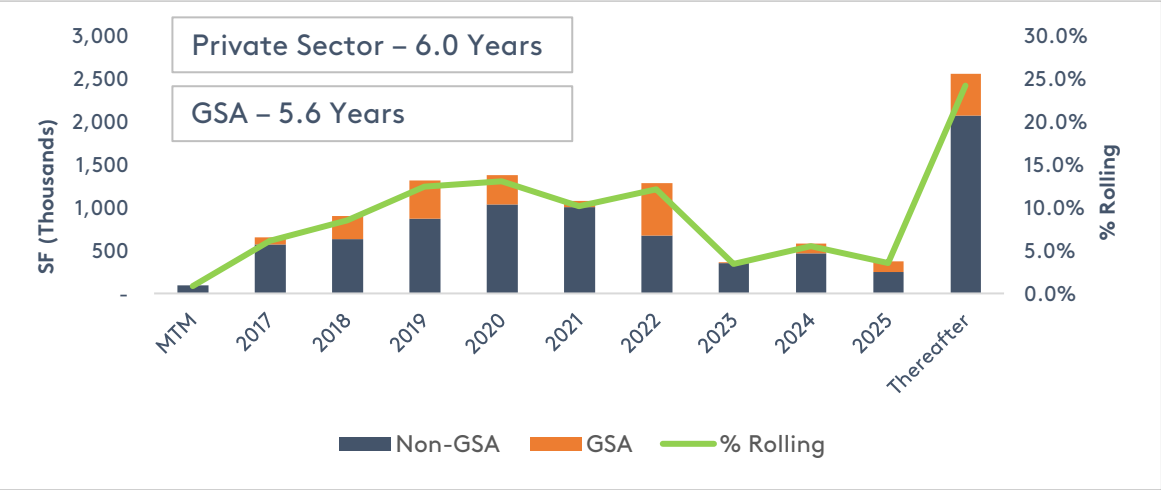
(1) Represents a sampling of JBG SMITH office properties.

PORTFOLIO: OPERATING OFFICE

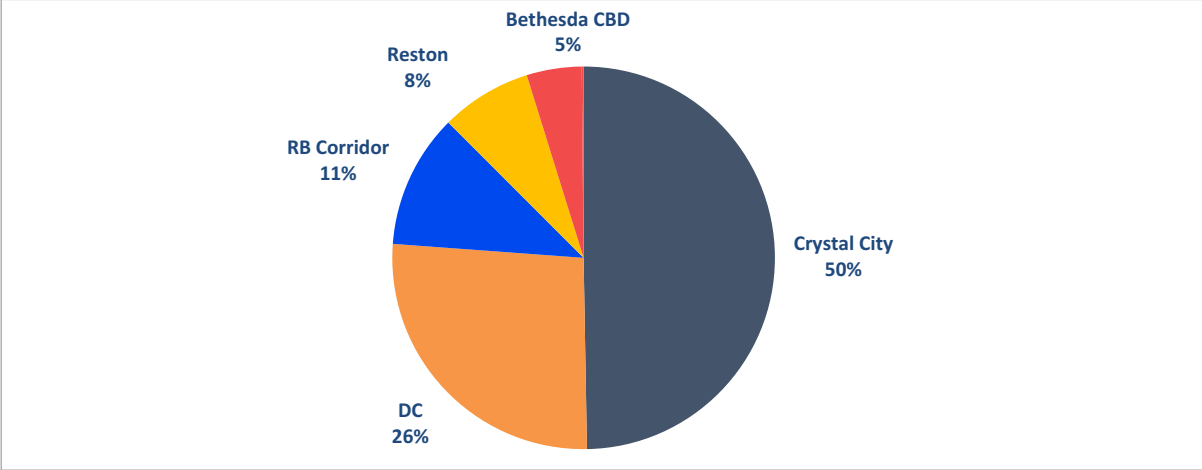
Operating Office Portfolio Composition

| | |
|-----------------------------|-----------|
| ASSETS | 50 |
| PRO RATA SQUARE FEET | 12.1M |
| PERCENT LEASED | 87.0% |
| ANNUALIZED RENT PSF | \$44.41 |
| 1Q17 ANNUALIZED NOI | \$269M |
| WEIGHTED AVERAGE LEASE TERM | 5.9 Years |

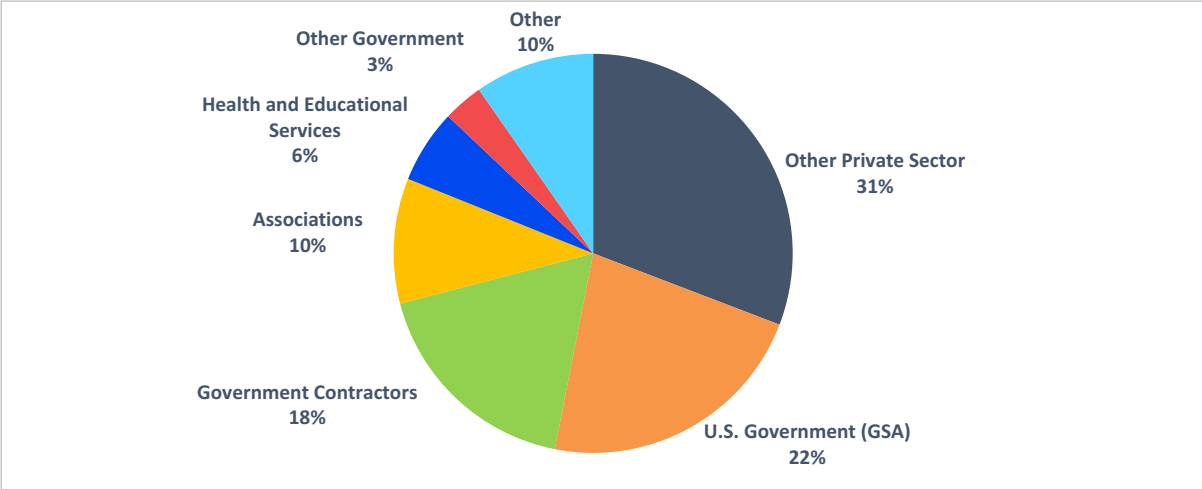
Lease Expiration Schedule⁽¹⁾



1Q17 Office NOI by Submarket



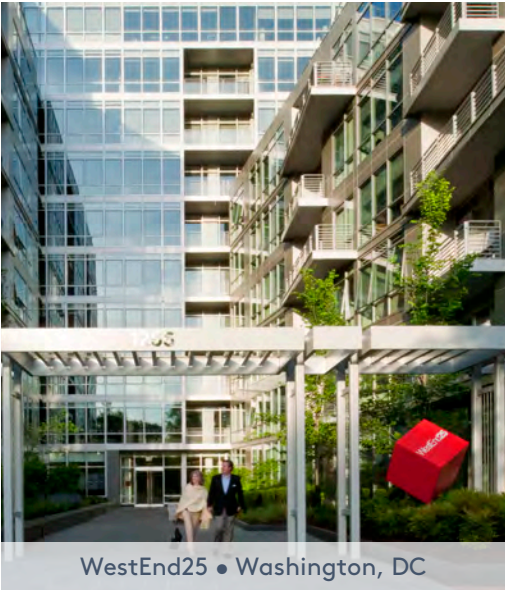
Industry Diversification⁽¹⁾



Potential Value Creation = ~\$590M⁽²⁾

All figures shown at share as of 03/31/17.
(1) Weighted by pro rata share of square footage. Figures include all office and retail leases, including retail space associated with multifamily asset and other assets, % calculated as annual roll divided by total rolling mtm-2025+.
(2) See page 68 for detailed calculation.

PORTFOLIO: MULTIFAMILY PROPERTIES (1)



(1) Represents a sampling of JBG SMITH multifamily properties.

PORTFOLIO: OPERATING MULTIFAMILY

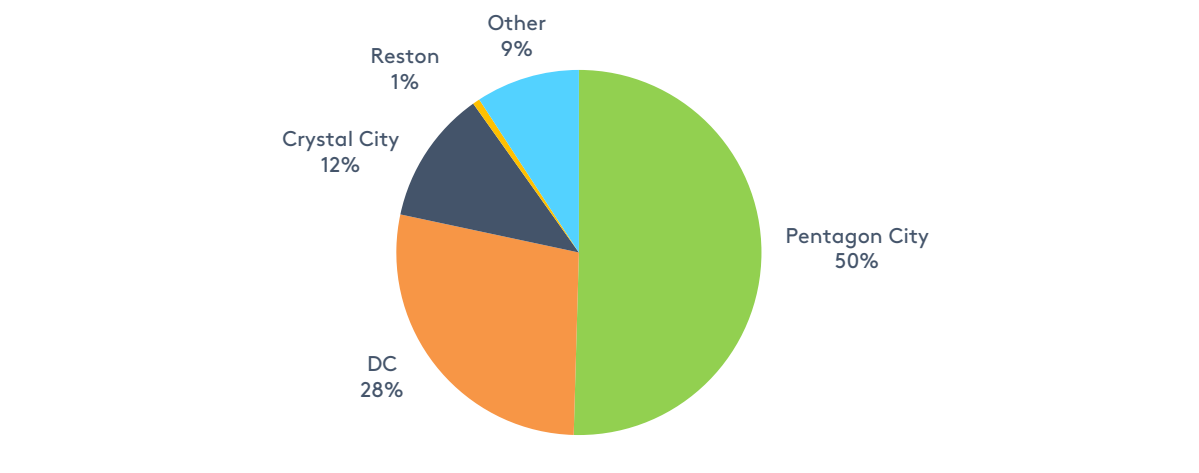
Operating Multifamily Portfolio Composition

| | |
|---------------------|----------------------|
| ASSETS | 14 |
| PRO RATA MF UNITS | 4,232 |
| PERCENT LEASED | 96.3% ⁽¹⁾ |
| 1Q17 ANNUALIZED NOI | \$69M |

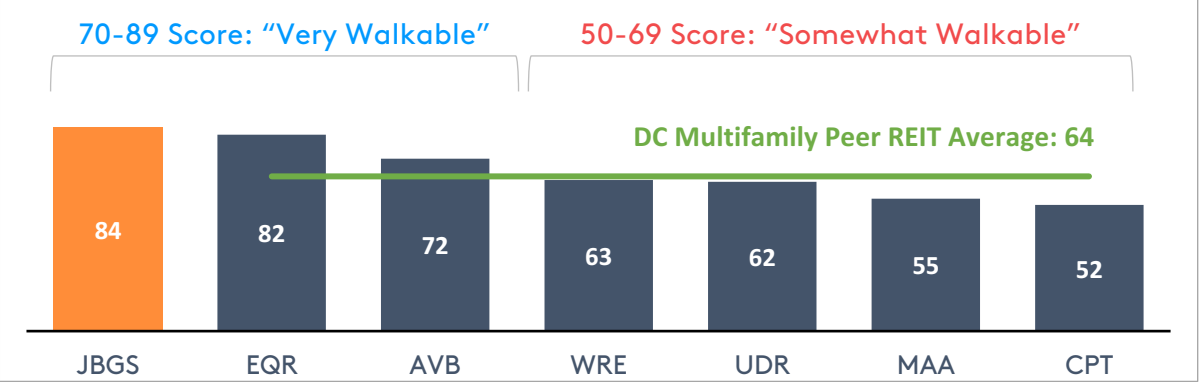
JBGS Resident Data

| | |
|---|-----------|
| JBGS Average Annual Household Income ⁽²⁾ | \$152,078 |
| JBGS Average Monthly Rent ⁽²⁾ | \$2,160 |
| JBGS Rent as a % of Income | 17% |
| DC Metro Avg. Rent as a % of Income | 21% |

1Q17 Multifamily NOI by Submarket



Average Walk Score⁽³⁾ – JBGS vs. Multifamily Peers



Potential Value Creation = ~\$293M⁽⁴⁾

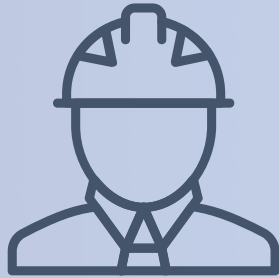
All figures shown at share as of 03/31/17.
(1) Excludes one recently delivered multifamily asset, The Bartlett, with 699 units at share.
(2) Resident data is based on tenant-reported information for leases signed in the last 12 months.
(3) Data reflects DC metro area portfolios based on public disclosure. Walk Score measures the walkability of any address to nearby amenities. See page 73 for detailed definitions.
(4) See page 68 for detailed calculation.

JBG SMITH UNRIVALED GROWTH



West Hall + 1221 Van
Washington, DC

JBG SMITH PORTFOLIO SUMMARY



10 Assets Under Construction

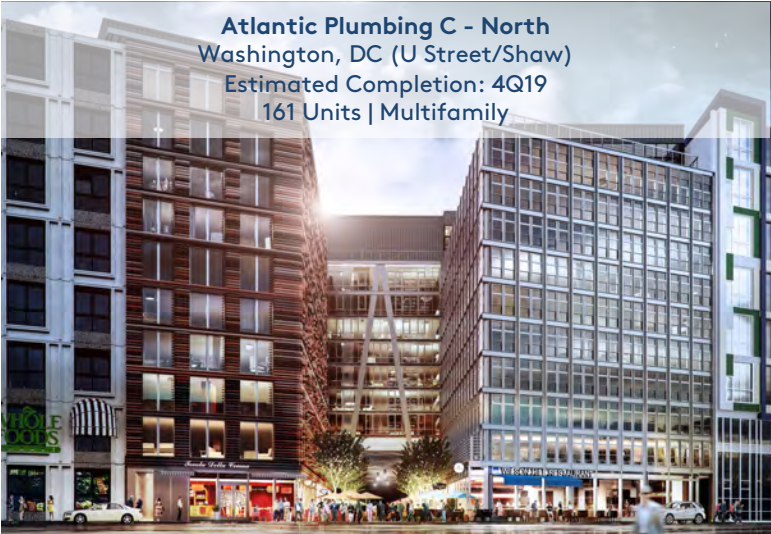


42 Land Assets Represent Over 17M Feet of Density



\$5B of Potential Future Value Creation from Build-Out of Future Development Pipeline

GROWTH: UNDER CONSTRUCTION OFFICE/OTHER PROPERTIES (1)



GROWTH: CRYSTAL CITY

THE PENTAGON

DOWNTOWN DC

REAGAN NATIONAL
AIRPORT



BLUE
=
JBGS CONTROL

GROWTH: CRYSTAL CITY IS A UNIQUE, LARGE-SCALE OPPORTUNITY

- Crystal City's commercial district is comparable in scale to some of the best urban neighborhoods in the country, each with a distinct **retail heart**
- These neighborhoods have more balanced residential to office ratios than Crystal City
- High occupancy and credit income in the office space deferred the need to change that balance in Crystal City
- JBGS has mixed-use placemaking skillset to execute on the Crystal City opportunity

Crystal City, Arlington



Fenway, Boston



Williamsburg, Brooklyn NY



Bethesda, Maryland



GROWTH: PLACEMAKING CRYSTAL CITY

- DIVERSITY OF OFFERINGS
- STRATEGIC ANCHORS AND AMENITIES
- PUBLIC SPACE WITH HUMAN SCALE
- WALKABILITY WITH TRANSIT ACCESS
- PROGRAMMING AND ACTIVATION



- 180,000 SF of new or redeveloped retail space
- Recently executed lease with Alamo Drafthouse Cinema for a 9-screen movie theater
- Dedicated retail space for a specialty grocer
- New public plaza and new 2nd Metro entrance at the corner of 18th Street and Crystal Drive



LA MORESSA

Italian bistro & lounge bar

LA MORESSA
Italian bistro & lounge bar

ROOSEVELT'S
2022

LA MORESSA
Italian bistro & lounge bar

VICTORIAS

MM
Crystal City
Crystal City

Spazio





ALAMO
CINEMA

ALAMO

LA CA

OPEN

BON

1550

GROCCERY

CAFES A EMPORTER

| | |
|--------------------|----|
| CAFE LATTE | 11 |
| CAFE CORONA | 12 |
| CAFE MEXICAN | 13 |
| CAFE MEXICAN | 14 |
| BURRITO A LA ORDEN | 15 |
| TACOS DE CARNE | 16 |

Q&A

