Section 1: 8-K/A (AMENDED FORM 8-K)

1

Exhibit Index on Page 30

As filed with the Securities and Exchange Commission on July 15, 1998

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) APRIL 20, 1998

Commission File Number: 1-11954

VORNADO REALTY TRUST
(Exact name of registrant as specified in its charter)

MARYLAND	22-1657560
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification Number)

PARK 80 WEST, PLAZA II, SADDLE BROOK, NEW JERSEY	07663
(Address of principal executive offices)	(Zip Code)

(201)587-1000
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

2

This Form 8-K/A amends Vornado Realty Trust's Form 8-K's previously filed to include certain required financial statements and pro forma financial information.

ITEMS 1-4. NOT APPLICABLE

ITEM 5. On April 20, 1998, Vornado Realty Trust ("Vornado") increased its interest from 5.6% to approximately 50% in 570 Lexington Avenue, a 49 story office building located in midtown Manhattan containing approximately 435,000 square feet. The purchase price for the acquisition of the additional interest was approximately $37.2 million, including $4.9 million in the assumption of existing debt. The transaction was financed with existing cash.

On June 2, 1998, Vornado entered into an agreement to acquire the leasehold interest in 888 Seventh Avenue, a 46 story office building containing approximately 847,000 square feet located in midtown Manhattan and simultaneously acquired 40 Fulton Street, a 29 story office building containing approximately 234,000 square feet located in downtown

Manhattan. The aggregate consideration for both buildings is approximately $154.5 million, consisting of $109.5 million in cash and $45 million in the assumption of existing debt. The acquisition of 40 Fulton Street was financed with borrowings under the revolving credit facility. The acquisition of 888 Seventh Avenue is expected to be completed not later than the third quarter of 1999 in conjunction with other unrelated transactions to be effected by the seller, and is subject to customary closing conditions. The transaction is expected to be financed with borrowings under the revolving credit facility.

On June 15, 1998, Vornado entered into an agreement to acquire two Manhattan office buildings, 770 Broadway, which contains approximately 1,000,000 square feet and 314 West 40th Street which contains approximately 75,000 square feet. The aggregate consideration for both buildings is approximately $168 million. The acquisitions, which are subject to customary closing conditions, are expected to be completed in the third quarter of 1998. The acquisitions are expected to be financed with borrowings under the revolving credit facility. Interstate Properties ("Interstate"), a New Jersey general partnership and its respective partners, Steven Roth (Chairman of the Board and Chief Executive Officer of Vornado), David Mendelbaum (a trustee of Vornado) and Russell B. Wight, Jr. (a trustee of Vornado) own approximately two percent of one of the sellers of 770 Broadway and 314 West 40th Street.

These transactions were arrived at through arms-length negotiations and were, or will be consummated through subsidiaries of Vornado Realty L.P., a limited partnership of which Vornado owns a 91.2% limited partnership interest at May 31, 1998 and is the sole general partner.

ITEM 6. NOT APPLICABLE

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(a)-(b) There are filed herewith:

(a) the historical Statements of Revenues and Certain Expenses for New York Equities Company and Subsidiary ("770 Broadway and 314 West 40th Street"), 888 7th Avenue and 570 Lexington Company, L.P. and

(b) the Condensed Consolidated Pro Forma Balance Sheet of Vornado as of March 31, 1998 and the Condensed Consolidated Pro Forma Income Statement of Vornado for the three months ended March 31, 1998 and the year ended December 31, 1997 commencing on page 19, prepared to give Pro Forma effect to the acquisitions of 888 Seventh Avenue, 770 Broadway, 314 West 40th Street, the additional interest in 570 Lexington Avenue and the previously reported acquisitions and investments reflected in the Form 8/K-A filed with the Securities and Exchange Commission on April 9, 1998 for the acquisition of the Merchandise Mart Group of Properties, which also reflected those previously reported acquisitions (Mendik Company, 90 Park Avenue, Arbor Property Trust, Americold Corporation and URS Logistics, Inc., The Montehiedra Town Center, The Riese Transaction, 15% investment in Charles E. Smith Commercial Realty L.P., 40% investment in The Hotel Pennsylvania, 640 Fifth Avenue, One Penn Plaza and 150 East 58th Street), and the financings attributable thereto.

EXHIBIT NO.	EXHIBIT
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Deloitte & Touche LLP
23.3	Consent of Buchbinder Tunick & Company LLP

ITEMS 8-9. NOT APPLICABLE.

BUCHBINDER TUNICK & COMPANY LLP

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Trustees
Vornado Realty Trust

We have audited the consolidated statement of revenues and certain expenses of New York Equities Company and subsidiary (the "Partnership"), as described in Note 1, for the year ended September 30, 1997. This consolidated financial statement is the responsibility of the Partnership's management. Our responsibility is to express an opinion on this consolidated financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying consolidated statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the filing of Form 8-K/A of Vornado Realty Trust), and is not intended to be a complete presentation of the Partnership's revenues and expenses.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and certain expenses of New York Equities Company and subsidiary, as described in Note 1, for the year ended September 30, 1997, in conformity with generally accepted accounting principles.

BUCHBINDER TUNICK & COMPANY LLP

New York, NY
June 22, 1998

NEW YORK EQUITIES COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENT OF REVENUES AND CERTAIN EXPENSES (NOTE 1)
FOR THE YEAR ENDED SEPTEMBER 30, 1997

Revenues:	
Rentals from real property	$14,910,393
Escalation charges	2,025,677
Total revenues	16,936,070
Certain expenses:	
Real estate operating expenses	3,320,989
Real estate taxes	2,914,128
Total certain expenses	6,235,117
Revenues in excess of certain expenses	$10,700,953

See notes to consolidated statement of revenues and certain expenses.

NEW YORK EQUITIES COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED STATEMENT OF REVENUES AND CERTAIN EXPENSES
SEPTEMBER 30, 1997

NOTE 1 - BASIS OF PRESENTATION

New York Equities Company is a New York limited partnership which owns and operates two commercial office buildings in New York City (770 Broadway, which contains approximately 1 million square feet and 314 West 40th Street, which contains approximately 75,000 square feet).

The consolidated statement of revenues and certain expenses includes the accounts of New York Equities Company and its wholly-owned subsidiary, NYE Realty, LLC. Material intercompany items and transactions have been eliminated. The Partnership and its subsidiary are hereinafter referred to as the "Partnership".

The accompanying consolidated financial statement has been prepared in accordance with the applicable rules and regulations of the Securities and Exchange Commission for the acquisition of real estate properties. Accordingly, the consolidated financial statement excludes certain expenses that may not be comparable to those expected to be incurred by Vornado Realty Trust in the proposed future operations of the Partnership. It is expected that the Partnership will be acquired by Vornado Realty Trust in July 1998. Items excluded consist of interest, depreciation, amortization, management fees and certain administrative costs.

NOTE 2 - USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW YORK EQUITIES COMPANY AND SUBSIDIARY
NOTES TO CONSOLIDATED STATEMENT OF REVENUES AND CERTAIN EXPENSES (CONTINUED)
SEPTEMBER 30, 1997

NOTE 3 - RENTAL PROPERTIES

Future minimum rentals to be received by the Partnership pursuant to noncancellable operating leases are as follows:

Years Ending September 30,	Amount
1998	$11,879,000
1999	12,841,000
2000	12,399,000
2001	10,554,000
2002	10,234,000

At September 30, 1997, the Partnership recorded unbilled rent receivable aggregating $5,886,275, representing rent reported on the straight-line basis in excess of rental payments required under the initial term of the leases. The unbilled rent receivable will vary based upon the difference between the straight-line basis and the actual cash payments due under the leases. The minimum future rentals presented above include amounts applicable to the repayment of this unbilled rent receivable.

A major tenant occupies premises leased from New York Equities Company under a lease expiring in 2005 with a cancellation date, at the tenant's discretion, of June 2000. In October 1996, the tenant subleased a majority of said premises, effective January 4, 1997, to NYE Realty, LLC. The tenant paid $3,000,000 to NYE Realty, LLC in exchange for the right to enter into the sublease agreement. This income is being amortized over the noncancellable term of the sublease. As of September 30, 1997, $2,357,000 was included in deferred rental income. However, the tenant remains primarily obligated to New York Equities Company for rentals under its lease.

NEW YORK EQUITIES COMPANY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF REVENUES AND CERTAIN EXPENSES
FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997 (unaudited)

	1998	1997
Revenues:		
Rentals from real property	$3,709,479	$3,428,599
Escalation charges	611,926	534,070
Total revenues	4,321,405	3,962,669
Certain expenses:		
Real estate operating expenses	754,740	860,579
Real estate taxes	647,498	718,293

Total certain expenses	1,402,238	1,578,872
Revenues in excess of certain expenses	$2,919,167	$2,383,797

DELOITTE & TOUCHE LLP
INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Vornado Realty Trust:

We have audited the statement of revenues and certain expenses of 888 7th Avenue, as described in Note 1 for the year ended December 31, 1997. This financial statement is the responsibility of management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the filing of Form 8-K/A of Vornado Realty Trust) as described in Note 1 and is not intended to be a complete presentation of 888 7th Avenue's revenues and expenses.

In our opinion, such financial statement presents fairly, in all material respects, the revenues and certain expenses of 888 7th Avenue as described in Note 1 for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

Deloitte & Touche LLP

New York, New York
March 20, 1998

888 7TH AVENUE
STATEMENTS OF REVENUES AND CERTAIN EXPENSES

	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1997	1998
		(UNAUDITED)	
REVENUES:			
Rentals	$ 18,175,531	$ 3,999,385	$ 5,271,375
Tenant recoveries	3,343,023	743,999	929,670
Other Income	1,225,912	223,637	311,786
Total operating revenues	22,744,466	4,967,021	6,512,831
CERTAIN EXPENSES:			
Building operating expenses	10,944,200	2,868,681	2,047,129
Real Estate taxes	3,929,900	969,600	940,658
Ground lease expense	375,000	93,750	93,750
Other expense (income)	572,296	32,744	(190,660)
Total certain expenses	15,821,396	3,964,775	2,890,877

REVENUES IN EXCESS OF CERTAIN EXPENSES	$ 6,923,070	$ 1,002,246	$ 3,621,954
	==============	============	============

See notes to statements of revenues and certain expenses

888 7TH AVENUE
NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES

1. ORGANIZATION AND BASIS OF PRESENTATION

888 7th Avenue (the "Property") is a 46-story office building located on Seventh Avenue at 56th Street in New York City. The Property has aggregate net rentable area of approximately 843,000 square feet (approximately 95% leased as of March 31, 1998). The accounting records for the Property are maintained in accordance with generally accepted accounting principles. The statements of revenues and certain expenses include information related to the operations of 888 7th Avenue as recorded by the office building's current owner.

The accompanying historical financial information is presented in conformity with Rule 3-14 of the Securities and Exchange Commission. Accordingly, the financial statements are not representative of the actual operations for the periods presented as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the acquired property, have been excluded. Expenses excluded consist of interest, depreciation and amortization, and other costs not directly related to the future operations of the property.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

The statements of revenues and certain expenses for the three month periods ended March 30, 1997 and 1998 are unaudited, however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of these statements of revenues and certain expenses for the interim periods, on the basis described above, have been included. The results of such interim periods are not necessarily indicative of the results for an entire year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION - Rental income is recognized from leases with scheduled rent increases on a straight-line basis over the lease term. Escalation rents based upon payments for real estate taxes, insurance, utilities and maintenance by tenants are estimated and accrued.

3. OPERATING LEASES

The Property leases office space to various tenants with lease terms expiring in various years. The following is a schedule, by years, of the approximate minimum future rentals required under these operating leases as of December 31, 1997:

YEAR ENDING DECEMBER 31,	
1998	$ 19,619,000
1999	18,124,000
2000	17,594,000
2001	16,704,000
2002	16,353,000
Thereafter	114,861,000

4. GROUND LEASE

The office building is located on land subject to a ground lease which expires in 2066. The annual rent is $375,000, plus real estate taxes and other expenses. Commencing in June 1998, and continuing for a period of five years, rent will increase by the difference between $375,000 and an amount equal to 6% of the value of the land at May 29, 1998. The ground lease provides that payment of this rent increase will be deferred and paid in equal monthly installments over a five year period commencing in June 2003. To date the valuation of the land required to determine rent expense for the period commencing June 1998 has not been obtained.

Commencing in June 2003 and continuing for a period of twenty-three years, ground rent shall be further increased by the difference between $400,000 and an amount equal to 6% of the value of the land at May 29, 1998. Additionally, the deferred rents referred to above will become payable in equal monthly installments over a five year period. The ground lease provides for further increases in rent during 2028 and 2048 based upon increases in the value of the land.

****

DELOITTE & TOUCHE LLP
INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Vornado Realty Trust:

We have audited the statement of revenues and certain expenses of 570 Lexington Company, L.P., as described in Note 1 for the year ended December 31, 1997. This financial statement is the responsibility of Vornado Realty Trust's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement of revenues and certain expenses was prepared for the purpose of complying with rules and regulations of the Securities and Exchange Commission (for inclusion in the filing of Form 8-K/A of Vornado Realty Trust) as described in Note 1 and is not intended to be a complete presentation of 570 Lexington Company, L.P.'s revenues and expenses.

In our opinion, such financial statement presents fairly, in all material respects, the revenues and certain expenses of 570 Lexington Company, L.P. as described in Note 1 for the year ended December 31, 1997, in conformity with generally accepted accounting principles.

Deloitte and Touche LLP

New York, New York
February 14, 1998

570 LEXINGTON COMPANY, L.P.
(A NEW YORK LIMITED PARTNERSHIP)

STATEMENTS OF REVENUES AND CERTAIN EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1997
AND FOR THE THREE MONTHS ENDED MARCH 31, 1997 AND 1998

	YEAR ENDED DECEMBER 31, 1997	THREE MONTHS ENDED MARCH 31, 1997	1998
		(UNAUDITED)	

Revenues:			
Property rentals	$ 5,977,169	$ 1,064,515	$ 2,032,058
Expense reimbursements	322,244	51,710	130,265
Interest income	10,693	3,187	3,309
Total operating revenues	6,310,106	1,119,412	2,165,632
Certain Operating Expenses:			
Real estate taxes	1,872,430	468,796	458,521
Repairs and maintenance	454,204	90,127	223,234
Utilities	950,153	288,867	313,457
Insurance	103,619	26,532	25,595
Management and leasing	174,691	38,822	40,317
Payroll	231,671	57,981	31,146
General and administrative	716,690	144,285	166,372
Other	902,137	257,134	279,555
Total certain expenses	5,405,595	1,372,544	1,538,197
REVENUES IN EXCESS OF CERTAIN EXPENSES (CERTAIN EXPENSES IN EXCESS OF REVENUES)	$ 904,511	$ (253,132)	$ 627,435

See Notes to Statements of Revenue and Certain Expenses

570 LEXINGTON COMPANY, L.P.
(A NEW YORK LIMITED PARTNERSHIP)

NOTES TO STATEMENTS OF REVENUES AND CERTAIN EXPENSES

1. ORGANIZATION AND BASIS OF PRESENTATION

570 Lexington Avenue (the "Property") is a 49-story office building located on 50th Street and Lexington Avenue in New York City. The Property has aggregate net rentable area of approximately 433,686 square feet (approximately 71% leased as of March 31, 1998). The accounting records of the Property are maintained in accordance with generally accepted accounting principles. The statements of revenues and certain expenses includes information related to the operations of 570 Lexington Avenue as recorded by the office building's previous owner.

The accompanying historical financial statement information is presented in conformity with Rule 3-14 of the Securities and Exchange Commission. Accordingly, the financial statements are not representative of the actual operations for the periods presented as certain expenses, which may not be comparable to the expenses expected to be incurred in the future operations of the acquired property, have been excluded. Expenses excluded consist of interest, depreciation and amortization, and other costs not directly related to the future operations of the acquired property.

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The statements of revenues and certain expenses for the three month periods ended March 31, 1997 and 1998 are unaudited, however, in the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary for the fair presentation of these statements of revenues and certain expenses for the interim periods, on the basis described above, have been included. The results for such interim periods are not necessarily indicative of the results for an entire year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REVENUE RECOGNITION - Rental income is recognized from leases with scheduled rent increases on a straight-line basis over the lease terms. Escalation rents based upon payments for real estate taxes, insurance, utilities, and maintenance by tenants are estimated and accrued.

3. OPERATING LEASES

The Property leases office space to various tenants with lease terms expiring in various years. The following is a schedule, by year, of the approximate minimum future rentals required under these operating leases as of December 31, 1997:

YEAR ENDING DECEMBER 31,	AMOUNT
1998	$ 6,758,000
1999	8,368,000
2000	8,369,000
2001	8,253,000
2002	7,808,000
Thereafter	50,933,000
Total	$90,489,000

******

PRO FORMA FINANCIAL INFORMATION:

The unaudited condensed consolidated pro forma financial information attached presents: (A) the Condensed Consolidated Pro Forma Income Statements of Vornado Realty Trust ("Vornado") for the year ended December 31, 1997 and for the three months ended March 31, 1998, as if the following had occurred on January 1, 1997 (i) the acquisitions of 888 Seventh Avenue, 770 Broadway, 314 West 40th Street, the additional interest in 570 Lexington Avenue with the financings attributable thereto, (ii) the previously completed acquisitions and investments reflected in the Form 8-K/A filed with the Securities and Exchange Commission on April 9, 1998 for the acquisition of the Merchandise Mart Group of Properties, which also reflected those previously reported acquisitions (Mendik Company, 90 Park Avenue, Arbor Property Trust, Americold Corporation and URS Logistics, Inc., The Montehiedra Town Center, The Riese Transaction, 15% investment in Charles E. Smith Commercial Realty L.P., 40% investment in The Hotel Pennsylvania, 640 Fifth Avenue, One Penn Plaza and 150 East 58th Street) and the financings attributable thereto and (iii) the sale of 10 million common shares on April 15, 1998, the sale of approximately 1.1 million common shares to a unit investment trust on April 29, 1998 and the use of proceeds therefrom and (B) the Condensed Consolidated Pro Forma Balance Sheet of Vornado as of March 31, 1998, as if the above acquisitions had occurred on March 31, 1998.

The unaudited condensed consolidated pro forma financial information is not necessarily indicative of what Vornado's actual results of operations or financial position would have been had these transactions been consummated on the dates indicated, nor does it purport to represent Vornado's results of operations or financial position for any future period.

The unaudited condensed consolidated pro forma financial information should be read in conjunction with the Consolidated Financial Statements and notes thereto included in Vornado's Annual Report on Form 10-K for the year ended December 31, 1997, the Consolidated Financial Statements and notes thereto included in Vornado's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 and the Statement of Revenues and Certain Expenses of 888 7th Avenue, 570 Lexington Company, L.P. and New York Equities Company and Subsidiary, included herein. In management's opinion, all adjustments necessary to reflect these transactions have been made.

CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET
MARCH 31, 1998
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

HISTORICAL

	VORNADO	PREVIOUSLY REPORTED ACQUISITIONS	COMPANY PRO FORMA	PRO FORMA ADJUSTMENTS		TOTAL PRO FORMA
ASSETS:						
Real estate, net	$ 1,942,728	$ 600,000	$ 2,542,728	$ 100,000	(A)	$ 2,810,728
				168,000	(B)	
Cash and cash equivalents	299,761	(187,000)	112,761	(31,000)	(C)	70,761
				44,000	(D)	
				(55,000)	(A)	
Investment in partially-owned entities, including investment in and advances to Alexander's	487,555	30,000	517,555	31,000	(C)	548,555
Mortgage loans receivable	91,163		91,163			91,163
Receivable arising from straight-lining of rents	27,776		27,776			27,776
Other assets	116,206		116,206			116,206
	$ 2,965,189	$ 443,000	$ 3,408,189	$ 257,000		$ 3,665,189
LIABILITIES:						
Notes and mortgages payable	$ 729,132	$ 327,000	$ 1,056,132	$ 45,000	(A)	$ 1,101,132
Revolving credit facility	656,000		656,000	168,000	(B)	423,000
				(401,000)	(E)	
Deferred leasing fee income	10,026		10,026			10,026
Officer's deferred compensation payable	25,000		25,000			25,000
Other liabilities	52,052		52,052			52,052
	1,472,210	327,000	1,799,210	(188,000)		1,611,210
Minority interest of unitholders in the Operating Partnership	178,965	116,000	294,965			294,965
EQUITY:						
Total equity	1,314,014		1,314,014	401,000	(E)	1,759,014
				44,000	(D)	
	$ 2,965,189	$ 443,000	$ 3,408,189	$ 257,000		$ 3,665,189

CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE QUARTER ENDED MARCH 31, 1998
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL VORNADO	PREVIOUSLY REPORTED ACQUISITIONS	COMPANY PRO FORMA	HISTORICAL - CURRENT ACQUISITIONS COMBINED	PRO FORMA ADJUSTMENTS	TOTAL PRO FORMA
REVENUES:						
Property rentals	$ 72,365	$ 33,140	$ 105,505	$ 8,980	$1,429 (I)	$ 115,914
Expense reimbursements	15,696	857	16,553	1,479		18,032
Other income	2,150	1,355	3,505	375		3,880
	90,211	35,352	125,563	10,834	1,429	137,826
EXPENSES:						
Operating	34,153	18,273	52,426	4,293		56,719
Depreciation and amortization	10,366	4,652	15,018	-	1,413 (F)	16,431
General and administrative	4,947	-	4,947	-		4,947
Amortization of officer's deferred compensation expense	-	-	-	-		-
	49,466	22,925	72,391	4,293	1,413	78,097
Operating income	40,745	12,427	53,172	6,541	16	59,729
Income applicable to Alexander's	1,656	-	1,656	-		1,656
Income from partially owned entities	3,920	919	4,839	(445)		4,394
Interest and other investment income	7,566	-	7,566	-	(515) (G)	7,051
Interest and debt expense	(19,823)	(6,260)	(26,083)	-	2,886 (H)	(23,197)
Minority interest of unitholders in the Operating Partnership	(2,577)	(1,012)	(3,589)	-	(785) (J)	(4,374)
Net income	31,487	6,074	37,561	6,096	1,602	45,259

Preferred stock dividends	(5,423)	-	(5,423)	-		(5,423)
Net income applicable to common shares	$ 26,064	$ 6,074	$ 32,138	$ 6,096	$1,602	$ 39,836
Net income per common share - basic (based on 72,165 shares and 83,328 shares)	$ 0.36					$ 0.48
Net income per common share - diluted (based on 74,353 shares and 85,516 shares)	$ 0.35					$ 0.47

CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE QUARTER ENDED MARCH 31, 1998
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL VORNADO	PREVIOUSLY REPORTED ACQUISITIONS	COMPANY PRO FORMA	HISTORICAL - CURRENT ACQUISITIONS COMBINED	PRO FORMA ADJUSTMENTS	TOTAL PRO FORMA
OTHER DATA:						
Funds from Operations (2):						
Net income applicable to common shares	$ 26,064	$ 6,074	$ 32,138	$ 6,096	$ 1,602	$ 39,836
Depreciation and amortization of real property	10,194	4,652	14,846	--	1,413	16,259
Straight-lining of property rent escalations	(2,292)	(481)	(2,773)	(1,005)	(1,767)	(5,545)
Leasing fees received in excess of income recognized	368		368	--		368
Proportionate share of adjustments to income from equity investments to arrive at FFO	10,947		10,947	275		11,222
Minority Interest of unitholders in the Operating Partnership	2,577	1,012	3,589	--	785	4,374
	$ 47,858	$ 11,257	$ 59,115	$ 5,366	$ 2,033	$ 66,514
CASH FLOW PROVIDED BY (USED IN):						
Operating activities	$ 33,573	$ 10,245	$ 43,818	$ 5,366	$ 2,033	$ 51,217
Investing activities	$ (543,865)	$(1,158,000)	$(1,701,865)	$ --	$ (299,000)	$(2,000,865)
Financing activities	$ 390,995	$ 1,177,000	$ 1,567,995	$ --	$ 257,000	$ 1,824,995

----

(1) Certain revenue and expense items have been reclassified to conform to Vornado's presentation.

(2) Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs which is disclosed in the Consolidated Statements of Cash Flows for the applicable periods. There are no material legal or functional restrictions on the use of funds from operations. Funds from operations should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. Management considers funds from operations a supplemental measure of operating performance and along with cash flow from operating activities, financing activities, and investing activities, it provides investors with an indication of the ability of the Company to incur and service debt, to make capital expenditures and to fund other cash needs. Funds from operations may not be comparable to similarly titled measures employed by other REITs since a number of REITs, including the Company's, method of calculating funds from operations is different from that used by NAREIT. Funds from operations, as defined by NAREIT, represents net income applicable to common shares before depreciation and amortization, extraordinary items and gains or losses on sales of real estate. Funds from operations as disclosed above has been modified to adjust for the effect of straight-lining of property rentals for rent escalations and leasing fee income.

CONDENSED COMBINING INCOME STATEMENT
FOR THE THREE MONTHS ENDED MARCH 31, 1998
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

	HISTORICAL			
	888 7TH AVENUE	NEW YORK EQUITIES COMPANY AND SUBSIDIARY	570 LEXINGTON Company, L.P.	CURRENT ACQUISITIONS COMBINED
REVENUES:				
Property rentals	$ 5,271	$ 3,709		$ 8,980
Expense reimbursements	930	549		1,479
Other income	312	63		375
	6,513	4,321		10,834
EXPENSES:				
Operating	2,891	1,402		4,293
Depreciation and amortization				--
General and administrative				--
Amortization of officer's deferred compensation expense				--
	2,891	1,402		4,293
Operating income	3,622	2,919		6,541
Income applicable to Alexander's				--
Income from partially owned entities			$ (445)	(445)
Interest and other investment income				--
Interest and debt expense				--
Minority interest of unitholders in the Operating Partnership				--
Net income (loss)	3,622	2,919	(445)	6,096
Preferred stock dividends				--
Net income (loss) applicable to common shares	$ 3,622	$ 2,919	$ (445)	$ 6,096

CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1997
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	PRO FORMA FILED APRIL 9, 1998	HISTORICAL - CURRENT ACQUISITIONS COMBINED	PRO FORMA ADJUSTMENTS	TOTAL PRO FORMA
REVENUES:				
Property rentals	$ 411,876	$ 33,085	$ 4,175 (N)	$ 449,136
Expense reimbursements	68,274	5,369		73,643
Other income	16,321	1,226		17,547
	496,471	39,680	4,175	540,326
EXPENSES:				
Operating	210,989	22,056		233,045
Depreciation and amortization	61,078	-	5,650 (K)	66,728
General and administrative	17,606	-		17,606
Amortization of officer's deferred compensation expense	22,917	-		22,917
	312,590	22,056	5,650	340,296
Operating income (loss)	183,881	17,624	(1,475)	200,030
Income applicable to Alexander's	7,873	-		7,873
Income from partially owned entities	13,126	(1,794)		11,332
Interest and other investment income	22,079	-	(2,142) (L)	19,937
Interest and debt expense	(112,400)	-	11,545 (M)	(100,855)
Minority interest of unitholders in the Operating Partnership	(14,418)	-	(1,885) (O)	(16,303)
Net income	100,141	15,830	6,043	122,014

Preferred stock dividends	(20,686)	-		(20,686)
Net income applicable to common shares	$ 79,455	$ 15,830	$ 6,043	$ 101,328
Net income per common share - basic (based on 80,874 shares and 92,016 shares)	$ 0.98			$ 1.10
Net income per common share - diluted (based on 82,993 shares and 94,204 shares)	$ 0.96			$ 1.08

CONDENSED CONSOLIDATED PRO FORMA INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1997
(UNAUDITED)
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	PRO FORMA FILED APRIL 9, 1998	HISTORICAL - CURRENT ACQUISITIONS COMBINED	PRO FORMA ADJUSTMENTS	TOTAL PRO FORMA
OTHER DATA:				
Funds from Operations (2):				
Net income applicable to common shares	$ 79,455	$ 15,830	$ 6,043	$ 101,328
Depreciation and amortization of real property	58,882	--	5,650	64,532
Straight-lining of property rent escalations	(16,222)	(5,699)	(7,569)	(29,490)
Leasing fees received in excess of income recognized	1,733	--		1,733
Proportionate share of adjustments to income from equity investments to arrive at FFO	37,322	671		37,993
Non-recurring lease cancellation income and write-off of related costs	(11,581)	--		(11,581)
	$ 149,589	$ 10,802	$ 4,124	$ 164,515
CASH FLOW PROVIDED BY (USED IN):				
Operating activities	$ 173,274	$ 10,802	$ 4,124	$ 188,200
Investing activities	$(2,566,868)	$ --	$ (299,000)	$(2,865,868)
Financing activities	$ 2,628,372	$ --	$ 257,000	$ 2,885,372

----

(1) Certain revenue and expense items have been reclassified to conform to Vornado's presentation.

(2) Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs which is disclosed in the Consolidated Statements of Cash Flows for the applicable periods. There are no material legal or functional restrictions on the use of funds from operations. Funds from operations should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. Management considers funds from operations a supplemental measure of operating performance and along with cash flow from operating activities, financing activities, and investing activities, it provides investors with an indication of the ability of the Company to incur and service debt, to make capital expenditures and to fund other cash needs. Funds from operations may not be comparable to similarly titled measures employed by other REITs since a number of REITs, including the Company's, method of calculating funds from operations is different from that used by NAREIT. Funds from operations, as defined by NAREIT, represents net income applicable to common shares before depreciation and amortization, extraordinary items and gains or losses on sales of real estate. Funds from operations as disclosed above has been modified to adjust for the effect of straight-lining of property rentals for rent escalations and leasing fee income.

CONDENSED COMBINING INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1997
(UNAUDITED)
(AMOUNTS IN THOUSANDS)

	HISTORICAL			
	888 7TH AVENUE	NEW YORK EQUITIES COMPANY AND SUBSIDIARY	570 LEXINGTON Company, L.P.	CURRENT ACQUISITIONS COMBINED
REVENUES:				
Property rentals	$18,175	$14,910		$ 33,085
Expense reimbursements	3,343	2,026		5,369
Other income	1,226	-		1,226
	22,744	16,936		39,680
EXPENSES:				
Operating	15,821	6,235		22,056
Depreciation and amortization				-
General and administrative				-
Amortization of officer's deferred compensation expense				-
	15,821	6,235		22,056
Operating income	6,923	10,701		17,624
Income applicable to Alexander's				-
Income from partially owned entities			$ (1,794)	(1,794)
Interest and other investment income				-
Interest and debt expense				-
Minority interest of unitholders in the Operating Partnership				-
Net income (loss)	6,923	10,701	(1,794)	15,830
Preferred stock dividends				-
Net income (loss) applicable to common shares	$ 6,923	$10,701	$ (1,794)	$ 15,830

NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Basis of Pro Forma:

The Condensed Consolidated Pro Forma Income Statement for the year ended December 31, 1997 is based on the Related Pro Forma Income Statement filed as part of the Form 8-K/A filed with the Securities and Exchange Commission on April 9, 1998 in connection with the acquisition of the Merchandise Mart Group of Properties. The Condensed Consolidated Pro Forma Income Statement for the quarter ended March 31, 1998 is based on historical data as reported in Vornado's Form 10-Q.

The unaudited Condensed Consolidated Pro Forma Financial Statements were prepared to give Pro Forma effect to the proposed acquisition of 888 Seventh Avenue and the completed acquisitions of 770 Broadway, 314 West 40th Street and the additional interest in 570 Lexington Avenue, the previously reported acquisitions and investments (Mendik Company, 90 Park Avenue, Arbor Property Trust, Americold Corporation and URS Logistics, Inc., The Montehiedra Town Center, The Riese Transaction, 15% investment in Charles E. Smith Commercial Realty L.P., 40% investment in The Hotel Pennsylvania, 640 Fifth Avenue, One Penn Plaza, 150 East 58th Street and the Merchandise Mart Group of Properties) are included in "Historical Vornado" from their respective dates of acquisition. The column headed "Previously Reported Acquisitions" includes the results of operations of those entities for the period of time during 1998 prior to their acquisition. The Pro Forma data for certain previously completed acquisitions, which were disclosed in Form 8-K's previously filed with the Securities and Exchange Commission has been updated to (i) include information through March 31, 1998 and (ii) reflect pro forma adjustments to revenues for straight-line rents for the period, depreciation adjustments based upon the new basis of the acquired assets, interest expense on debt used to fund the acquisition and additional minority interest.

Acquisitions were consummated through subsidiaries or preferred stock affiliates of Vornado and were recorded under the purchase method of accounting. Net assets have been included in these financial statements since their respective dates of acquisition. The respective purchase costs were allocated to acquired assets and assumed liabilities using their relative fair values as of the closing dates, based on valuations and other studies which are not yet complete. Accordingly, the initial valuations are subject to change as such information is finalized. Vornado believes that any such change will not be significant since the allocations were principally to real estate.

The following adjustments were required to give pro forma effect to the transactions being reported:

Pro Forma March 31, 1998 Balance Sheet:

(A) Reflects the acquisition of 888 Seventh Avenue for approximately $100 million, consisting of $55 million in cash and the assumption of $45 million in existing debt.

(B) Reflects the acquisitions of 770 Broadway and 314 West 40th Street with borrowings under the revolving credit facility for approximately $168 million.

(C) Reflects an increased interest in 570 Lexington Avenue to approximately 50% for $31 million.

(D) Net proceeds received from the sale of approximately 1.1 million common shares to a unit investment trust on April 29, 1998.

(E) To record the net proceeds from the 10 million common share offering on April 15, 1998 used to repay indebtedness under the revolving credit facility.

NOTES TO CONDENSED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS (CONTINUED)

(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Pro Forma March 31, 1998 Income Statement:

(F) To record three months of depreciation expense related to 770 Broadway, 314 West 40th Street and 888 Seventh Avenue over the assets' expected useful life.

(G) To reduce historical interest income for existing cash used for acquisitions.

(H) To reduce interest expense resulting from the use of proceeds on the 10 million share offering to repay a portion of the outstanding balance under the revolving credit facility, offset by borrowings under the line used to fund the cash portion of certain acquisitions.

(I) To adjust rentals arising from the straight-lining of tenant leases that contain escalations over the lease term.

(J) To record minority interest in income from acquisitions.

Pro Forma December 31, 1997 Income Statement:

(K) To record depreciation expense related to 770 Broadway, 314 West 40th Street and 888 Seventh Avenue for the year ended December 31, 1997 over the assets' expected useful life.

(L) To reduce historical interest income for existing cash used for acquisitions.

(M) To reduce interest expense resulting from the use of proceeds on the 10 million share offering to repay a portion of the outstanding balance under the revolving credit facility, offset by borrowings under the line used to fund the cash portion of certain acquisitions.

(N) To adjust rentals arising from the straight-lining of tenant leases that contain escalations over the lease term.

(O) To record minority interest in income from acquisitions.

VORNADO REALTY TRUST

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VORNADO REALTY TRUST
(Registrant)

Date: July 13, 1998

/s/ Irwin Goldberg

IRWIN GOLDBERG
Vice President,
Chief Financial Officer

INDEX TO EXHIBITS

(Back To Top)

Section 2: EX-23.1 (CONSENT OF DELOITTE AND TOUCHE LLP)

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Amendment No. 1 to Registration Statement No. 333-50095 of Vornado Realty Trust on Form S-3 and Registration Statement Nos. 333-52573, 333-29011 and 333-09159 on Form S-8 of Vornado Realty Trust and Amendment No. 4 to Registration Statement No. 333-40787 and Amendment No. 4 to Registration Statement No. 333-29013 of Vornado Realty Trust and Vornado Realty L.P. both on Form S-3, of our report dated March 20, 1998 on the statement of revenues and certain expenses of 888 7th Avenue for the year ended December 31, 1997, which report appears in the Form 8-K/A of Vornado Realty Trust and Vornado Realty L.P. filed with the Securities and Exchange Commission on or about July 14, 1998.

DELOITTE & TOUCHE LLP
New York, New York
July 10, 1998

(Back To Top)

Section 3: EX-23.2 (CONSENT OF DELOITTE AND TOUCHE LLP)

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Amendment No. 1 to Registration Statement No. 333-50095 of Vornado Realty Trust on Form S-3 and Registration Statement Nos. 333-52573, 333-29011 and 333-09159 on Form S-8 of Vornado Realty Trust and Amendment No. 4 to Registration Statement No. 333-40787 and Amendment No. 4 to Registration Statement No. 333-29013 of Vornado Realty Trust and Vornado Realty L.P. both on Form S-3, of our report dated February 14, 1998 on the statement of revenues and certain expenses of 570 Lexington Company, L.P. for the year ended December 31, 1997, which report appears in the Form 8-K/A of Vornado Realty Trust and Vornado Realty L.P. filed with the Securities and

Exchange Commission on or about July 14, 1998.

DELOITTE & TOUCHE LLP
New York, New York
July 10, 1998

(Back To Top)

Section 4: EX-23.3 (CONSENT OF BUCHBINDER TUNICK AND COMPANY LLP)

1

EXHIBIT 23.3

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Amendment No. 1 to Registration Statement No. 333-50095 of Vornado Realty Trust on Form S-3 and Registration Statement Nos. 333-52573, 333-29011, 333-09159 and 33-62344 on Form S-8 of Vornado Realty Trust and Amendment No. 4 to Registration Statement No. 333-40787 and Amendment No. 4 to Registration Statement No. 333-29013 of Vornado Realty Trust and Vornado Realty L.P. both on Form S-3, of our report dated June 22, 1998 on the consolidated statement of revenues and certain expenses of New York Equities Company and Subsidiary for the year ended September 30, 1997, which report appears in the Form 8-K/A of Vornado Realty Trust and Vornado Realty L.P. dated July 13, 1998.

Buchbinder Tunick & Company LLP
New York, NY
July 10, 1998

(Back To Top)