

PRESS RELEASE

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Vornado's operating results for the year ended December 31, 1997.

SADDLE BROOK, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today reported that funds from operations for the year ended December 31, 1997 were \$72.6 million, or \$1.27 per diluted share, compared to \$69.3 million, or \$1.41 per diluted share for the year ended December 31, 1996. Net income applicable to common shares for the year ended December 31, 1997 was \$45.5 million, or \$.79 per diluted share, versus \$61.4 million, or \$1.25 per diluted share, for the previous year.

Funds from operations for the fourth quarter ended December 31, 1997 were \$28.8 million, or \$.43 per diluted share, compared to \$15.8 million, or \$.32 per diluted share for the prior year's quarter. Net income applicable to common shares for the quarter ended December 31, 1997 was \$16.5 million, or \$.25 per diluted share, compared to \$15.4 million, or \$.31 per diluted share, for the prior year's quarter.

1997's results reflect an expense of \$4.9 million, or \$.07 per share, in the quarter and \$25.4 million, or \$.44 per share, in the year representing amortization of an officer's employment arrangement and related compensation. 1996's results include corresponding amortization and related compensation in the fourth quarter of \$2.1 million, or \$.04 per share.

All share and per share information has been adjusted to reflect a 2-for-1 stock split in October 1997.

Vornado Realty Trust is a fully-integrated equity real estate investment trust.

VORNADO REALTY TRUST
OPERATING RESULTS FOR THE YEAR AND THREE MONTHS ENDED
DECEMBER 31, 1997

(amounts in thousands, except per share amounts)

	<u>For The Year Ended</u>	
	<u>December 31,</u> <u>1997</u>	<u>December 31,</u> <u>1996</u>
Revenues.....	<u>\$209,131</u>	<u>\$116,887</u>
Net income (1).....	\$ 61,023	\$ 61,364
Preferred stock dividends.....	<u>(15,549)</u>	-
Net income applicable to common shares (1).....	<u>\$ 45,474</u>	<u>\$ 61,364</u>
Funds from operations (1).....	<u>\$ 72,619</u>	<u>\$ 69,316</u>
Per common share: (1) (2)		
Net income:		
Basic.....	<u>\$.83</u>	<u>\$ 1.26</u>
Diluted.....	<u>\$.79</u>	<u>\$ 1.25</u>
Funds from operations - diluted.....	<u>\$ 1.27</u>	<u>\$ 1.41</u>
Average number of diluted common shares and share equivalents outstanding (2).....	<u>57,217,209</u>	<u>49,206,884</u>

	<u>For The Three Months Ended</u>	
	<u>December 31,</u> <u>1997</u>	<u>December 31,</u> <u>1996</u>
Revenues.....	<u>\$ 67,304</u>	<u>\$ 29,969</u>
Net income (1).....	\$ 21,919	\$ 15,383
Preferred stock dividends.....	<u>(5,453)</u>	<u>-</u>
Net income applicable to common shares (1).....	<u>\$ 16,466</u>	<u>\$ 15,383</u>
Funds from operations (1).....	<u>\$ 28,830</u>	<u>\$ 15,766</u>
Per common share: (1) (2)		
Net income:		
Basic.....	<u>\$.26</u>	<u>\$.31</u>
Diluted.....	<u>\$.25</u>	<u>\$.31</u>
Funds from operations - diluted.....	<u>\$.43</u>	<u>\$.32</u>
Average number of diluted common shares and share equivalents outstanding (2).....	<u>66,389,724</u>	<u>49,795,738</u>

- (1) Operating results for the three months and the year ended December 31, 1997 reflect the amortization of an officer's employment arrangement and related compensation of \$4,881 and \$25,397. Operating results for the three months and the year ended December 31, 1996 reflect the amortization of an officer's employment arrangement and related compensation of \$2,088.
- (2) All share and per share information has been adjusted to reflect a 2-for-1 stock split in October 1997.