

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended: MARCH 31, 1997

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 1-11954

VORNADO REALTY TRUST

(Exact name of registrant as specified in its charter)

MARYLAND
(State or other jurisdiction of incorporation
or organization)

22-1657560
(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, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes No

As of May 2, 1997 there were 26,547,680 common shares outstanding.

VORNADO REALTY TRUST

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PART I. FINANCIAL INFORMATION

VORNADO REALTY TRUST

CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT SHARE AMOUNTS)

	MARCH 31, 1997	DECEMBER 31, 1996
	-----	-----
ASSETS:		
Real estate, at cost:		
Land	\$ 61,278	\$ 61,278
Buildings and improvements	327,677	327,485
Leasehold improvements and equipment	8,708	8,535
	-----	-----
Total	397,663	397,298
Less accumulated depreciation and amortization	(154,016)	(151,049)
	-----	-----
Real estate, net	243,647	246,249
Cash and cash equivalents, including U.S. government obligations under repurchase agreements of \$15,812 and \$17,036	92,427	89,696
Marketable securities	28,389	27,549
Investment in and advances to Alexander's, Inc.	109,884	107,628
Investment in and advances to Vornado Management Corp.	5,215	5,193
Due from officers	8,623	8,634
Accounts receivable, net of allowance for doubtful accounts of \$641 and \$575	9,861	9,786
Officer's deferred compensation expense	16,668	22,917
Mortgage note receivable	16,918	17,000
Receivable arising from the straight-lining of rents	17,721	17,052
Other assets	12,132	13,500
	-----	-----
TOTAL ASSETS	\$ 561,485	\$ 565,204
	=====	=====
	MARCH 31, 1997	DECEMBER 31, 1996
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Notes and mortgages payable	\$ 232,197	\$ 232,387
Due for U.S. treasury obligations	9,778	9,636
Accounts payable and accrued expenses	9,942	9,905
Deferred leasing fee income	11,575	8,373
Officer's deferred compensation payable	25,000	25,000
Other liabilities	3,731	3,646
	-----	-----
Total liabilities	292,223	288,947
	-----	-----
Commitments and contingencies		
Shareholders' equity:		
Preferred shares of beneficial interest: no par value per share; authorized, 1,000,000 shares; issued, none		
Common shares of beneficial interest: \$.04 par value per share; authorized, 50,000,000 shares; issued, 26,547,680 shares in each period	1,044	1,044
Additional capital	358,874	358,874
Accumulated deficit	(84,575)	(77,574)
	-----	-----
Unrealized loss on securities available for sale	(1,023)	(998)
Due from officers for purchase of common shares of beneficial interest	(5,058)	(5,089)
	-----	-----
Total shareholders' equity	269,262	276,257

TOTAL LIABILITIES AND
SHAREHOLDERS' EQUITY

\$ 561,485
=====

\$ 565,204
=====

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands except share amounts)

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1997	MARCH 31, 1996
Revenues:		
Property rentals	\$ 22,467	\$ 21,337
Expense reimbursements	6,210	6,881
Other income (including fee income from related parties of \$314 and \$392)	620	392
Total revenues	29,297	28,610
Expenses:		
Operating	8,507	8,914
Depreciation and amortization	2,967	2,835
General and administrative	1,845	1,189
Amortization of officer's deferred compensation expense	6,249	--
Total expenses	19,568	12,938
Operating income	9,729	15,672
Income/(loss) applicable to Alexander's:		
Equity in loss	(61)	(136)
Depreciation	(150)	(157)
Interest income on loan	1,616	1,802
Income from investment in and advances to Vornado Management Corp.	217	1,141
Interest income on mortgage note receivable	612	594
Interest and dividend income	1,518	871
Interest and debt expense	(4,078)	(4,223)
Net gain on marketable securities	287	358
NET INCOME	\$ 9,690	\$ 15,922
Net Income Per Share	\$.36	\$.65
Weighted average number of common shares and common share equivalents outstanding during period	26,549,698	24,464,478
Dividends per share	\$.64	\$.61

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1997	MARCH 31, 1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 9,690	\$ 15,922
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization (including debt issuance costs)	3,228	3,090
Amortization of officer's deferred compensation expense	6,249	--
Straight-lining of rental income	(669)	(642)
Equity in loss of Alexander's, including depreciation of \$150 and \$157	211	293
Net gain on marketable securities	(287)	(358)
Changes in assets and liabilities:		
Trading securities	(578)	831
Accounts receivable	(75)	(1,761)
Accounts payable and accrued expenses	37	381
Other	1,947	446
	-----	-----
Net cash provided by operating activities	19,753	18,202
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in mortgage note receivable	82	(17,000)
Additions to real estate	(365)	(1,501)
Proceeds from sale or maturity of securities available for sale	--	41,192
	-----	-----
Net cash (used in) provided by investing activities	(283)	22,691
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings on U.S. treasury obligations	--	(40,036)
Proceeds from borrowings on U.S. treasury obligations	142	10,000
Proceeds from revolving credit facility	--	10,000
Repayments on mortgages	(190)	(175)
Dividends paid	(16,691)	(14,813)
Exercise of stock options	--	676
	-----	-----
Net cash used in financing activities	(16,739)	(34,348)
	-----	-----
Net increase in cash and cash equivalents	2,731	6,545
Cash and cash equivalents at beginning of period	89,696	19,127
	-----	-----
Cash and cash equivalents at end of period	\$ 92,427	\$ 25,672
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest	\$ 3,817	\$ 3,968
	=====	=====
NON-CASH TRANSACTIONS:		
Unrealized (loss) gain on securities available for sale	\$ (25)	\$ 24
	=====	=====

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet as of March 31, 1997, the consolidated statements of income for the three months ended March 31, 1997 and March 31, 1996 and the consolidated statements of changes in cash flows for the three months ended March 31, 1997 and March 31, 1996 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1996 Annual Report to Shareholders. The results of operations for the period ended March 31, 1997 are not necessarily indicative of the operating results for the full year.

2. INVESTMENTS IN AND ADVANCES TO ALEXANDER'S (A RELATED PARTY):

Below are summarized Statements of Operations of Alexander's:

	Three Months Ended March 31, 1997 -----	Three Months Ended March 31, 1996 -----
Statement of Operations:		
Revenues	\$ 5,998,000	\$ 4,684,000
Expenses	(3,164,000)	(2,451,000)
	-----	-----
Operating income	2,834,000	2,233,000
Interest and debt expense	(3,294,000)	(3,317,000)
Other income and interest income, net	252,000	622,000
	-----	-----
Net loss from continuing operations	\$ (208,000)	\$ (462,000)
	=====	=====
Vornado's 29.3% equity in loss	\$ (61,000)	\$ (136,000)
	=====	=====

The Company recognized leasing fee income under a leasing agreement (the "Leasing Agreement") with Alexander's of \$171,000 and \$110,000 for the three months ended March 31, 1997 and 1996. Subject to the payment of rents by Alexander's tenants, the Company is due \$8,318,000 at March 31, 1997 under such agreement. In addition to the leasing fees received by the Company, Vornado Management Corp. receives management fees from Alexander's (see Note 3).

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. VORNADO MANAGEMENT CORP.

The Company previously assigned its management and development agreement (the "Management Agreement") with Alexander's to Vornado Management Corp. ("VMC"), an affiliate. Below are summarized Statements of Operations of VMC:

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
	-----	-----
Revenues:		
Management fees from Alexander's	\$ 937,000	\$ 2,430,000
Expenses:		
General and administrative	703,000	563,000
Interest, net	75,000	69,000
	-----	-----
Income before income taxes	159,000	1,798,000
Income taxes	65,000	735,000
	-----	-----
Net income	94,000	1,063,000
Preferred dividends to Vornado	(89,000)	(1,010,000)
	-----	-----
Net income available to common shareholders	\$ 5,000	\$ 53,000
	=====	=====

The fee income in the three months ended March 31, 1996, includes \$1,343,000 of fees related to the substantial completion of the redevelopment of Alexander's Rego Park I property. In addition to the preferred dividends the Company received, it also earned interest income on its loan to VMC of \$128,000 and \$131,000 for the three months ended March 31, 1997 and 1996.

4. OTHER RELATED PARTY TRANSACTIONS

The Company currently manages and leases the real estate assets of Interstate Properties pursuant to a management agreement. Management fees earned by the Company pursuant to the management agreement were \$193,000 and \$331,000 for the three months ended March 31, 1997 and 1996.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. SUBSEQUENT EVENTS

Mendik Transaction

On April 15, 1997, the Company consummated the acquisition, through an operating partnership, of interests in all or a portion of seven Manhattan office buildings and certain management and leasing assets held by the Mendik Group (Bernard H. Mendik, David R. Greenbaum and certain entities controlled by them) and certain of its affiliates. Simultaneously with the closing of this transaction, and in connection therewith, the Company converted to an Umbrella Partnership REIT (UPREIT) by transferring (by contribution, merger or otherwise) all or substantially all of the interests in its properties and other assets to The Mendik Company, L.P., a Delaware limited partnership which has been renamed Vornado Realty L.P. (the "Operating Partnership"), of which the Company is the sole general partner. As a result of such conversion, the Company's activities will be conducted through the Operating Partnership.

The consideration for the transaction was approximately \$656,000,000, including \$264,000,000 in cash, \$177,000,000 in the limited partnership units of the Operating Partnership and \$215,000,000 in indebtedness.

The Company financed the cash portion of this transaction with the proceeds of a public offering completed on April 9, 1997, of 5,750,000 Convertible Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share. The preferred shares bear a coupon of 6-1/2% and are convertible into common shares at \$72-3/4 per share. The offering, net of expenses, generated approximately \$276,000,000.

The unaudited proforma revenues for the Company were \$53,200,000 for the three months ended March 31, 1997, assuming the Mendik transaction had occurred on January 1, 1997.

In connection with the transaction, Bernard Mendik, the Chairman of the Board of Directors of Mendik Realty, has become Co-Chairman of the Board of Trustees and Chief Executive Officer of the Mendik Division of the Company. David Greenbaum has become President of the Mendik Division of the Company. Steven Roth continues as the Company's Chairman and Chief Executive Officer.

Term Loan

On April 15, 1997, the Company entered into a Credit Agreement with Union Bank of Switzerland pursuant to which the Company borrowed \$400,000,000. The loan bears interest at the rate of LIBOR plus .625% (6.31% at April 15, 1997) and matures, assuming exercise of extension options, on April 14, 1998.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. SUBSEQUENT EVENTS - CONTINUED

Puerto Rico Transactions

On April 18, 1997, the Company announced that it acquired The Montehiedra Town Center located in San Juan, Puerto Rico, from Kmart Corporation ("Kmart") for approximately \$74,000,000, of which \$63,000,000 is newly-issued ten year indebtedness. The Montehiedra shopping center, which opened in 1994, contains 525,000 square feet, including a 135,000 square foot Kmart store. In addition, the Company agreed to acquire Kmart's 50% interest in the Caguas Centrum Shopping Center, which is currently under construction, located in Caguas, Puerto Rico. This acquisition is expected to close in 1998.

Purchase of a Mortgage

On May 7, 1997, the Company acquired a mortgage loan from a bank secured by a mortgage on the office building located at 90 Park Avenue, New York, New York. The purchase price of the mortgage loan was approximately \$185,000,000. The mortgage loan, which is in default, has a face value of \$193,000,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company's revenues, which consist of property rentals, tenant expense reimbursements and other income were \$29,297,000 in the quarter ended March 31, 1997, compared to \$28,610,000 in the prior year's quarter, an increase of \$687,000 or 2.4%.

Property rentals were \$22,467,000 in the quarter ended March 31, 1997, compared to \$21,337,000 in the prior year's quarter, an increase of \$1,130,000 or 5.3%. Of this increase (i) \$569,000 resulted from property rentals received from new tenants in excess of property rentals lost from vacating tenants, (ii) \$285,000 resulted from the Company's purchase of an office building in June 1996 and (iii) \$276,000 resulted from step-ups in leases which are not subject to the straight-line method of revenue recognition.

Tenant expense reimbursements were \$6,210,000 in the quarter ended March 31, 1997, compared to \$6,881,000 in the prior year's quarter, a decrease of \$671,000. This decrease primarily reflects a corresponding decrease in operating expenses passed through to tenants.

Operating expenses were \$8,507,000 in the quarter ended March 31, 1997, as compared to \$8,914,000 in the prior year's quarter, a decrease of \$407,000. This decrease resulted primarily from lower snow removal costs partially offset by higher real estate taxes.

Depreciation and amortization expense for the three months ended March 31, 1997, did not change significantly from such expense for the prior year's period.

General and administrative expenses were \$1,845,000 in the quarter ended March 31, 1997, compared to \$1,189,000 in the prior year's quarter, an increase of \$656,000. This increase resulted primarily from cash compensation attributable to the employment of the Company's President.

The Company recognized an expense of \$6,249,000 in the quarter ended March 31, 1997 representing one-quarter of the amortization of the \$25,000,000 deferred payment due to the Company's President. The balance of the deferred payment will be amortized in 1997.

Income applicable to Alexander's (loan interest income, equity in loss and depreciation) was \$1,405,000 in the three months ended March 31, 1997, compared to \$1,509,000 in the prior year's quarter, a decrease of \$104,000.

Income from investment in and advances to VMC was \$217,000 for the three months ended March 31, 1997 as compared to \$1,141,000 in the prior year's quarter. Income from investment in and advances to VMC for the three months ended March 31, 1996 reflected additional fee income of \$794,000 earned by VMC relating to the substantial completion of the redevelopment of Alexander's Rego Park I property.

Investment income (interest income on mortgage note receivable, interest and dividend income and net gains on marketable securities) was \$2,417,000 for the quarter ended March 31, 1997, compared to \$1,823,000 in the prior year's quarter, an increase of \$594,000 or 33%. This increase resulted from income earned on the proceeds from the December 1996 public stock offering.

Interest and debt expense for the three months ended March 31, 1997, did not change significantly from such expense for the prior year's period.

VORNADO REALTY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

Three Months Ended March 31, 1997

Cash flows provided by operating activities of \$19,753,000 was comprised of (i) net income of \$9,690,000 (ii) adjustments for non-cash items of \$8,732,000 and (iii) the net change in operating assets and liabilities of \$1,331,000. The adjustments for non-cash items are primarily comprised of (i) amortization of deferred officer's compensation expense of \$6,249,000, (ii) depreciation and amortization of \$3,228,000 and (iii) equity in loss of Alexander's of \$211,000 offset by (iv) the effect of straight-lining of rental income of \$669,000.

Net cash used in investing activities of \$283,000 was primarily comprised of capital expenditures.

Net cash used in financing activities of \$16,739,000 was primarily comprised of dividends paid.

Three Months Ended March 31, 1996

Cash flows provided by operating activities of \$18,202,000 was comprised of (i) net income of \$15,922,000 and (ii) adjustments for non-cash items of \$2,383,000, less (iii) the net change in operating assets and liabilities of \$103,000. The adjustments for non-cash items are primarily comprised of depreciation and amortization of \$3,090,000, plus equity in loss of Alexander's of \$293,000, offset by the effect of straight-lining of rental income of \$642,000. Further, during this period in connection with the rejection of a lease by an Alexander's tenant "Leasing fees and other receivables" decreased by \$1,717,000 and "Deferred leasing fee income" correspondingly decreased. "Leasing fees and other receivables" of \$490,000 were collected during this period. These amounts have been included in "Changes in assets and liabilities: other" in the Consolidated Statements of Cash Flows and are part of the net change in operating assets and liabilities shown in item (iii) above.

Net cash provided by investing activities of \$22,691,000 was comprised of (i) proceeds from sale or maturity of securities available for sale of \$41,192,000, offset by (ii) the Company's investment in a mortgage note receivable of \$17,000,000 and (iii) capital expenditures of \$1,501,000.

Net cash used in financing activities of \$34,348,000 was primarily comprised of (i) the net repayment of borrowings on U.S. Treasury obligations of \$30,036,000 and (ii) dividends paid of \$14,813,000, offset by (iii) the proceeds from borrowings of \$10,000,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Funds from Operations for the Three Months Ended March 31, 1997 and 1996

Management considers funds from operations an appropriate supplemental measure of the Company's operating performance. Funds from operations were \$12,230,000 in the quarter ended March 31, 1997, compared to \$18,416,000 in the prior year's quarter, a decrease of \$6,186,000 or 34%. Funds from operations for the quarter ended March 31, 1997 reflect an expense of \$6,249,000, representing one-quarter of the amortization of the deferred payment due to the Company's President and \$594,000 of related cash compensation. The following table reconciles funds from operations and net income:

	Three Months Ended	
	March 31, 1997	March 31, 1996
Net income	\$ 9,690,000	\$ 15,922,000
Depreciation and amortization of real property	2,681,000	2,612,000
Straight-lining of property rentals for rent escalations	(669,000)	(642,000)
Leasing fees received in excess of income recognized	454,000	514,000
Proportionate share of adjustments to Alexander's income/(loss) to arrive at funds from operations	74,000	10,000
Funds from operations *	\$ 12,230,000 =====	\$ 18,416,000 =====

* The Company's definition of funds from operations does not conform to the NAREIT definition because the Company deducts the effect of straight-lining of property rentals for rent escalations.

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. 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. Below are the cash flows provided by (used in) operating, investing and financing activities:

	Three Months Ended	
	March 31, 1997	March 31, 1996
Operating activities	\$ 19,753,000 =====	\$ 18,202,000 =====
Investing activities	\$ (283,000) =====	\$ 22,691,000 =====
Financing activities	\$(16,739,000) =====	\$(34,348,000) =====

VORNADO REALTY TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In December 1996, Michael D. Fascitelli became the President of the Company and was elected to the Company's Board. Mr. Fascitelli signed a five year employment contract under which, in addition to his annual salary, he received a deferred payment consisting of \$5,000,000 in cash and a \$20,000,000 convertible obligation payable at the Company's option in 459,770 of its Common Shares or the cash equivalent of their appreciated value. Accordingly, cash of \$5,000,000 and 459,770 Common Shares are being held in an irrevocable trust. The deferred payment obligation to Mr. Fascitelli vests as of December 2, 1997. Further, Mr. Fascitelli was granted options for 1,750,000 Common Shares of the Company.

On April 15, 1997, the Company consummated the acquisition, through an operating partnership, of interests in all or a portion of seven Manhattan office buildings and certain management and leasing assets held by the Mendik Group and certain of its affiliates. Simultaneously with the closing of this transaction, and in connection therewith, the Company converted to an Umbrella Partnership REIT (UPREIT) by transferring (by contribution, merger or otherwise) all or substantially all of the interests in its properties and other assets to The Mendik Company, L.P., a Delaware limited partnership which has been renamed Vornado Realty L.P. (the "Operating Partnership"), of which the Company is the sole general partner. As a result of such conversion, the Company's activities will be conducted through the Operating Partnership.

The consideration for the Mendik transaction was approximately \$656,000,000, including \$264,000,000 in cash, \$177,000,000 in the limited partnership units of the Operating Partnership and \$215,000,000 in indebtedness. The Company financed the cash portion of this transaction with the proceeds of a public offering completed on April 9, 1997, of 5,750,000 Convertible Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share. The preferred shares bear a coupon of 6-1/2% and are convertible into common shares at \$72- 3/4 per share. The offering, net of expenses, generated approximately \$276,000,000.

Also, on April 15, 1997, the Company entered into a Credit Agreement with Union Bank of Switzerland pursuant to which the Company borrowed \$400,000,000. The loan bears interest at the rate of LIBOR plus .625% and matures, assuming exercise of extension options, on April 14, 1998.

On April 18, 1997, the Company announced that it acquired The Montehiedra Town Center located in San Juan, Puerto Rico, from Kmart Corporation ("Kmart") for approximately \$74,000,000, of which \$63,000,000 is newly-issued ten year indebtedness. The Montehiedra shopping center, which opened in 1994, contains 525,000 square feet, including a 135,000 square foot Kmart store. In addition, the Company agreed to acquire Kmart's 50% interest in the Caguas Centrum Shopping Center, which is currently under construction, located in Caguas, Puerto Rico. This acquisition is expected to close in 1998.

Further, on May 7, 1997, the Company acquired a mortgage loan from a bank secured by a mortgage on the office building located at 90 Park Avenue, New York, New York. The purchase price of the mortgage loan was approximately \$185,000,000. The mortgage loan, which is in default, has a face value of \$193,000,000.

The Company anticipates that cash from continuing operations, net liquid assets, borrowings under its revolving credit facility and/or proceeds from the issuance of securities under the Company's shelf registration statement will be adequate to fund its business operations, capital expenditures, continuing debt obligations and the payment of dividends.

RECENTLY ISSUED ACCOUNTING STANDARD

In February 1997, the Financial Accounting Standards Board adopted Statement No. 128, "Earnings Per Share". The statement is effective for fiscal years ending after December 15, 1997. The Company believes that this pronouncement will not have a material effect on its net income per share.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits: The following exhibits are filed with this Quarterly Report on Form 10-Q.

3(b) By-laws of Vornado as amended.

11 Statement Re Computation of Per Share Earnings.

27 Financial Data Schedule.

(b) Reports on Form 8-K

During the quarter ended March 31, 1997, Vornado Realty Trust filed the report on Form 8-K described below:

Date of Report (Date of Earliest Event Reported)	Item Reported	Financial Statements Filed	Date Filed
- - - - -	- - - - -	- - - - -	- - - - -
March 12, 1997	Other events - Consolidation Agreement with the Mendik Company	A Financial statements for the years ended December 31, 1996, 1995 and 1994 for Two Penn Plaza Associates L.P. (a Limited Partnership) (including independent auditors' report)	March 26, 1997
		B Combined financial statements for the years ended December 31, 1996, 1995 and 1994 for M Eleven Associates, M 393 Associates and Eleven Penn Plaza Company (General Partnerships) (including independent auditors' report)	
		C Financial statements for the years ended December 31, 1996, 1995 and 1994 for 1740 Broadway Associates, L.P. (a Limited Partnership) (including independent auditors' report)	
		D Financial statements for the years ended December 31, 1996, 1995 and 1994 for 866 U.N. Plaza Associates LLC (a Limited Liability Company) (including independent auditors' report)	
		E Financial statements for the years ended December 31, 1996, 1995 and 1994 for Two Park Company (a New York general partnership) (including independent auditors' report)	
		F Financial statements for the years ended December 31, 1996, 1995 and 1994 for B&B Park Avenue L.P. (a Limited Partnership) (including independent auditors' report)	
		G Condensed consolidated proforma financial statements for the Company for the year ended December 31, 1996	

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 thereunto duly authorized.

VORNADO REALTY TRUST

(Registrant)

Date: May 8, 1997

/s/ Joseph Macnow

JOSEPH MACNOW
Vice President - Chief Financial
Officer and Chief Accounting Officer

VORNADO REALTY TRUST

EXHIBIT INDEX

EXHIBIT NO. -----		PAGE NUMBER IN SEQUENTIAL NUMBERING -----
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EXHIBIT 3(b)

VORNADO REALTY TRUST

BYLAWS

ARTICLE I

OFFICES

SECTION 1. Principal Office. The principal office of the Trust shall be located at such place or places as the Trustees may designate.

SECTION 2. Additional Offices. The Trust may have additional offices at such places as the Trustees may from time to time determine or the business of the Trust may require.

ARTICLE II

MEETINGS OF SHAREHOLDERS

SECTION 1. Place. All meetings of shareholders shall be held at the principal office of the Trust or at such other place within the United States as shall be stated in the notice of the meeting.

SECTION 2. Annual Meeting. An annual meeting of the shareholders for the election of Trustees and the transaction of any business within the powers of the Trust shall be held during the second calendar quarter of each year, or shortly thereafter, after the delivery of the annual report, referred to in Section 11 of this Article II, at a convenient location and on proper notice, on a date and at the time set by the Trustees, beginning with the year 1993.

SECTION 3. Special Meetings. The chairman or any three Trustees may call special meetings of the shareholders.

SECTION 4. Notice. Not less than ten nor more than 90 days before each meeting of shareholders, the secretary shall give to each shareholder entitled to vote at such meeting and to each shareholder not entitled to vote who is entitled to notice of the meeting written or printed notice stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, either by mail or by presenting it to such shareholder

personally or by leaving it at his residence or usual place of business. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the shareholder at his post office address as it appears on the records of the Trust, with postage thereon prepaid.

SECTION 5. Scope of Notice. Any business of the Trust may be transacted at an annual meeting of shareholders without being specifically designated in the notice, except such business as is required by statute to be stated in such notice. No business shall be transacted at a special meeting of shareholders except as specifically designated in the notice.

SECTION 6. Quorum. At any meeting of shareholders, the presence in person or by proxy of shareholders entitled to cast a majority of all the votes entitled to be cast at such meeting shall constitute a quorum; but this section shall not affect any requirement under any statute or the Declaration of Trust for the vote necessary for the adoption of any measure. If, however, such quorum shall not be present at any meeting of the shareholders, the shareholders entitled to vote at such meeting, present in person or by proxy, shall have power to adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 7. Voting. A plurality of all the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to elect a Trustee. Each share may be voted for as many individuals as there are Trustees to be elected and for whose election the share is entitled to be voted. A majority of the votes cast at a meeting of shareholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Declaration of Trust. Unless otherwise provided in the Declaration, each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

SECTION 8. Proxies. A shareholder may vote the shares owned of record by him, either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Trust before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

SECTION 9. Voting of Shares by Certain Holders. Shares registered in the name of a corporation, partnership, trust or

other entity, if entitled to be voted, may be voted by the chief executive officer or a vice president, a general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such shares pursuant to a bylaw or a resolution of the board of directors of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such shares. Any trustee or other fiduciary may vote shares registered in his name as such fiduciary, either in person or by proxy.

Shares of the Trust directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Trustees may adopt by resolution a procedure by which a shareholder may certify in writing to the Trust that any shares registered in the name of the shareholder are held for the account of a specified person other than the shareholder. The resolution shall set forth the class of shareholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date or closing of the share transfer books, the time after the record date or closing of the share transfer books within which the certification must be received by the Trust; and any other provisions with respect to the procedure which the Trustees consider necessary or desirable. On receipt of such certification, the shareholder of record of the specified shares in place of the shareholder who makes the certification.

Notwithstanding any other provision of the Declaration of Trust or these Bylaws, Title 3, Subtitle 7 of the Corporations and Associations Article of the Annotated Code of Maryland (or any successor statute) shall not apply to any acquisition by any person of shares of beneficial interest of the Trust.

SECTION 10. Inspectors. At any meeting of shareholders, the chairman of the meeting may, or upon the request of any shareholder shall, appoint one or more persons as inspectors for such meeting. Such inspectors shall ascertain and report the number of shares represented at the meeting based upon their determination of the validity and effect of proxies, count all votes, report the results and perform such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by him or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the result of the voting shall be prima facie evidence thereof.

SECTION 11. Reports to Shareholders.

(a) Not later 90 days after the close of each fiscal year of the Trust, the Trustees shall deliver or cause to be delivered a report of the business and operations of the Trust during such fiscal year to the shareholders, containing a balance sheet and a statement of income and surplus of the Trust, accompanied by the certification of an independent certified public accountant, and such further information as the Trustees may determine is required pursuant to any law or regulation to which the Trust is subject. A signed copy of the annual report and the accountant's certificate shall be filed by the Trustees with the State Department of Assessments and Taxation of Maryland, and with such other governmental agencies as may be required by law and as the Trustees may deem appropriate.

(b) Not later than 45 days after the end of the first three quarterly periods of each fiscal year and upon written request by a shareholder, the Trustees shall deliver or cause to be delivered an interim report to such requesting shareholder containing unaudited financial statements for such quarter and for the period from the beginning of the fiscal year to the end of such quarter, and such further information as the Trustees may determine is required pursuant to any law or regulation to which the Trust is subject.

SECTION 12. Nominations and Shareholder Business.

(a) Annual Meetings of Shareholders. (1) Nominations of persons for election to the Board of Trustees and the proposal of business to be considered by the shareholders may be made at an annual meeting of shareholders (i) pursuant to the Trust's notice of meeting, (ii) by or at the direction of the Trustees or (iii) by any shareholder of the Trust who was a shareholder of record at the time of giving of notice provided for in this Section 12(a), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(a).

(2) For nominations or other business to be properly brought before an annual meeting by a shareholder pursuant to clause (iii) of paragraph (a)(1) of this Section 12, the shareholder must have given timely notice thereof in writing to the secretary of the Trust. To be timely, a shareholder's notice shall be delivered to the secretary at the principal executive offices of

the Trust not less than 60 days nor more than 90 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from such anniversary date, notice by the shareholder to be timely must be so delivered not earlier than the 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such shareholder's notice shall set forth (i) as to each person whom the shareholder proposes to nominate for election or reelection as a Trustee all information relating to such person that is required to be disclosed in solicitations of proxies for election of Trustees, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Trustee if elected); (ii) as to any other business that the shareholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such shareholder and of the beneficial owner, if any, on whose behalf the nomination or proposal is made; and (iii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such shareholder, as they appear on the Trust's books, and of such beneficial owner and (y) the number of shares of each class of the Trust which are owned beneficially and of record by such shareholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of paragraph (a)(2) of this Section 12 to the contrary, in the event that the number of Trustees to be elected to the Board of Trustees is increased and there is no public announcement naming all of the nominees for Trustee or specifying the size of the increased Board of Trustees made by the Trust at least 70 days prior to the first anniversary of the preceding year's annual meeting, a shareholder's notice required by this Section 12(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive offices of the Trust not later than the close of business on the tenth day following the day on which such public announcement is first made by the Trust.

(b) Special Meetings of Shareholders. Only such business shall be conducted at a special meeting of shareholders as shall have been brought before the meeting pursuant to the Trust's notice of meeting. Nominations of persons for election to the Board of Trustees may be made at a special meeting of shareholders at which Trustees are to be elected (i) pursuant to the Trust's notice of meeting (ii) by or at the direction of the Board of

Trustees or (iii) provided that the Board of Trustees has determined that Trustees shall be elected at such special meeting, by any shareholder of the Trust who was a shareholder of record at the time of giving of notice provided for in this Section 12(b), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 12(b). In the event the Trust calls a special meeting of shareholders for the purpose of electing one or more Trustees to the Board of Trustees, any such shareholder may nominate a person or persons (as the case may be) for election to such position as specified in the Trust's notice of meeting, if the shareholders notice containing the information required by paragraph (a)(2) of this Section 12 shall be delivered to the secretary at the principal executive offices of the Trust not earlier than the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Trustees to be elected at such meeting.

(c) General. (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 12 shall be eligible to serve as Trustees and only such business shall be conducted at a meeting of shareholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 12. The presiding officer of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this Section 12 and, if any proposed nomination or business is not in compliance with this Section 12, to declare that such defective nomination or proposal be disregarded.

(2) For purposes of this Section 12, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable news service or in a document publicly filed by the Trust with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 12, a shareholder shall also comply with all applicable requirements of state law and of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 12. Nothing in this Section 12 shall be deemed to affect any rights of shareholders to request inclusion of proposals in the Trust's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

SECTION 13. Informal Action by Shareholders. Any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if a consent in writing, setting forth

such action, is signed by each shareholder entitled to vote on the matter and any other shareholder entitled to notice of a meeting of shareholders (but not to vote thereat) has waived in writing any right to dissent from such action, and such consent and waiver are filed with the minutes of proceedings of the shareholders.

SECTION 14. Voting by Ballot. Voting on any question or in any election may be viva voce unless the presiding officer shall order or any shareholder shall demand that voting be by ballot.

ARTICLE III

TRUSTEES

SECTION 1. General Powers; Qualifications. The business and affairs of the Trust shall be managed under the direction of its Board of Trustees. A Trustee shall be an individual at least 21 years of age who is not under legal disability.

SECTION 2. Annual and Regular Meetings. An annual meeting of the Trustees shall be held immediately after and at the same place as the annual meeting of shareholders, no notice other than this Bylaw being necessary. The Trustees may provide, by resolution, the time and place, either within or without the State of Maryland, for the holding of regular meetings of the Trustees without other notice than such resolution.

SECTION 3. Special Meetings. Special meetings of the Trustees may be called by or at the request of the chief executive officer or by a majority of the Trustees then in office. The person or persons authorized to call special meetings of the Trustees may fix any place, either within or without the State of Maryland, as the place for holding any special meeting of the Trustees called by them.

SECTION 4. Notice. Notice of any special meeting shall be given by written notice delivered personally, telegraphed or mailed to each Trustee at his business or residence address or by telephone or facsimile transmission. Personally delivered or telegraphed notices shall be given at least two days prior to the meeting. Notice by mail shall be given at least five days prior to the meeting. Telephone notice shall be given at least 24 hours prior to the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. If given by telegram such notice shall be deemed to be given when the telegram is delivered to the telegraph company. Telephone notice shall be deemed given when the Trustee is personally given such notice in a telephone call to which he is a party and notice by facsimile transmission shall be deemed given upon receipt by the sender of confirmation indicating receipt of the transmission. Neither the business to be transacted

at, nor the purpose of, any annual, regular or special meeting of the trustees need be stated in the notice unless specifically required by the statute or these Bylaws.

SECTION 5. Quorum. A majority of the Trustees shall constitute a quorum for transaction of business at any meeting of the Trustees, provided that, if less than a majority of such Trustees are present at said meeting, a majority of the Trustees may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to the Declaration of Trust or these Bylaws, the vote of a majority of a particular group of Trustees is required for action, a quorum must also include a majority of such group.

The Trustees present at a meeting which has been duly called and convened may continue to transact business until adjournment, notwithstanding the withdrawal of enough Trustees to leave less than a quorum.

SECTION 6. Voting. The action of the majority of the Trustees present at a meeting at which a quorum is present shall be the action of the Trustees, unless the concurrence of a greater proportion is required for such action by applicable statute.

SECTION 7. Telephone Meetings. Trustees may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

SECTION 8. Informal Action by Trustees. Any action required or permitted to be taken at any meeting of the Trustees may be taken without a meeting, if a consent in writing to such action is signed by each Trustee and such written consent is filed with the minutes of proceedings of the Trustees.

SECTION 9. Vacancies. If for any reason any or all of the Trustees cease to be Trustees, such event shall not terminate the Trust or affect these Bylaws or the powers of the remaining Trustees hereunder (even if fewer than three Trustees remain). Any vacancy (including a vacancy created by an increase in the number of Trustees) shall be filled, at any regular meeting or at any special meeting called for that purpose, by a majority of the Trustees. Any individual so elected as Trustee shall hold office for the unexpired term of the Trustee he is replacing.

SECTION 10. Compensation. Trustees shall not receive any stated salary for their services as Trustees but, by resolution of the Trustees, may receive fixed sums per year and/or per meeting and/or per visit of real property owned or to be acquired by the Trust and for any service or activity they perform or engage in as

Trustees. Trustees may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Trustees or of any committee thereof and for expenses, if any, in connection with each property visit and any other service or activity performed or engaged in as Trustees; but nothing herein contained shall be construed to preclude any Trustees from serving the Trust in any other capacity and receiving compensation therefor.

SECTION 11. Removal of Trustees. The shareholders may, at any time, remove any Trustee in the manner provided in the Declaration of Trust.

SECTION 12. Loss of Deposits. No trustee shall be liable for any loss which may occur by reason of the failure of the bank, trust company, savings and loan association, or other institution with whom moneys or shares have been deposited.

SECTION 13. Surety Bonds. Unless required by law, no Trustee shall be obligated to give any bond or surety or other security for the performance of any of his duties.

SECTION 14. Reliance. Each Trustee, officer, employee and agent of the Trust shall, in the performance of his duties with respect to the Trust, be fully justified and protect with regard to any act or failure to act in reliance in good faith upon the books of account or other records of the Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the adviser, accountants, appraisers or other experts or consultants selected by the Trustees or officers of the Trust, regardless of whether such counsel or expert may also be a Trustee.

SECTION 15. Certain Rights of Trustees, Officers, Employees and Agents. The Trustees shall have no responsibility to devote their full time to the affairs of the Trust. Any Trustee or officer, employee or agent of the Trust, in his person capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar or in addition to or in competition with those of or relating to the Trust.

ARTICLE IV

COMMITTEES

SECTION 1. Number, Tenure and Qualifications. The Trustees may appoint from among its members an Executive Committee, an Audit Committee and other committees, composed of two or more Trustees, to serve at the pleasure of the Trustees.

SECTION 2. Powers. The Trustees may delegate to committees appointed under Section 1 of this Article any of the powers of the Trustees, except as prohibited by law.

SECTION 3. Meetings. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another Trustee to act in the place of such absent member.

SECTION 4. Telephone Meetings. Members of a committee of the Trustees may participate in a meeting by means of a conference telephone or similar communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

SECTION 5. Informal Action by Committees. Any action required or permitted to be taken at any meeting of a committee of the Trustees may be taken without a meeting, if a consent in writing to such action is signed by each member of the committee and such written consent is filed with the minutes of proceedings of such committee.

ARTICLE V

OFFICERS

SECTION 1. General Provisions. The officers of the Trust may consist of a chairman of the board, a co-chairman of the board, a president, a chief executive officer, one or more vice presidents, a chief financial officer, a secretary, and one or more assistant secretaries. In addition, the Trustees may from time to time appoint such other officers with such powers and duties as they shall deem necessary or desirable. The officers of the Trust shall be elected annually by the Trustees at the first meeting of the Trustees held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor is elected and qualifies or until his death, resignation or removal in the manner hereinafter provided. Any two or more offices except chief executive officer and vice president may be held by the same person. In their discretion, the Trustees may leave unfilled any office except that of chief executive officer, chief financial officer and secretary. Election of an officer or agent shall not of itself create contract rights between the Trust and such officer or agent.

SECTION 2. Removal and Resignation. Any officer or agent of the Trust may be removed by the Trustees if in their judgment the best interests of the Trust would be served thereby,

but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Trust may resign at any time by giving written notice of his resignation to the Trustees, the chairman of the board, the chief executive officer or the secretary. Any resignation shall take effect at any time subsequent to the time specified therein or, if the time when it shall become effective is not specified therein, immediately upon its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Trust.

SECTION 3. Vacancies. A vacancy in any office may be filled by the Trustees for the balance of the term.

SECTION 4. Chairman of the Board. The chairman of the board shall preside over the meetings of the Trustees and of the shareholders at which he shall be present. The chairman of the board shall perform such other duties as may be assigned to him by the Trustees.

SECTION 5. Chief Executive Officer. The Trustees may designate a chief executive officer from among the elected officers. In the absence of such designation, the chairman of the board shall be the chief executive officer of the Trust. The chief executive officer shall have general responsibility for implementation of the policies of the Trust, as determined by the Trustees, and for the management of the business affairs of the Trust. The chief executive officer shall in general supervise and control all of the business and affairs of the Trust. He may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Trustees or by these Bylaws to some other officer or agent of the Trust or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Trustees from time to time.

SECTION 6. Vice Presidents. In the absence of the chief executive officer or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the chief executive officer and when so acting shall have all the powers of and be subject to all the restrictions upon the chief executive officer; and shall perform such other duties as from time to time may be assigned to him by the chief executive officer or by the Trustees. The Trustees may designate one or more vice presidents as executive vice president or as vice president for particular areas of responsibility.

SECTION 7. Secretary. The secretary shall (a) keep the minutes of the proceedings of the shareholders, the Trustees and committees of the Trustees in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the trust records and of the seal of the Trust; (d) keep a register of the post office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) have general charge of the share transfer books of the Trust; and (f) in general perform such other duties as from time to time may be assigned to him by the chief executive officer or by the Trustees.

SECTION 8. Chief Financial Officer. The chief financial officer shall have the custody of the funds and securities of the Trust and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Trust and shall deposit all moneys and other valuable effects in the name and to the credit of the Trust in such depositories as may be designated by the Trustees.

The chief financial officer shall disburse the funds of the Trust as may be ordered by the Trustees, taking proper vouchers for such disbursements, and shall render to the chief executive officer and Trustees, at the regular meetings of the Trustees or whenever they may require it, an account of all his transactions as chief financial officer and of the financial condition of the Trust.

If required by the Trustees, he shall give the Trust a bond in such sum and with such surety or sureties as shall be satisfactory to the Trustees for the faithful performance of the duties of his office and for the restoration to the Trust, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, moneys and other property of whatever kind in his possession or under his control belonging to the Trust.

SECTION 9. Assistant Secretaries. The assistant secretaries, in general, shall perform such duties as shall be assigned to them by the secretary, or by the chief executive officer or the Trustees.

SECTION 10. Salaries. The salaries of the officers shall be fixed from time to time by the Trustees and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Trustee.

ARTICLE VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

SECTION 1. Contracts. The Trustees may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Trust and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document executed by one or more of the Trustees or by an authorized person shall be deemed valid and binding upon the Trustees and upon the Trust when so authorized or ratified by action of the Trustee.

SECTION 2. Checks and Drafts. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Trust shall be signed by such officer or officers, agent or agents of the Trust in such manner as shall from time to time be determined by the Trustees.

SECTION 3. Deposits. All funds of the Trust not otherwise employed shall be deposited from time to time to the credit of the Trust in such banks, trust companies or other depositories as the Trustees may designate.

ARTICLE VII

SHARES

SECTION 1. Certificates. Each shareholder shall be entitled to a certificate or certificates which shall represent and certify the number of shares of each class of beneficial interests held by him in the Trust. Each certificate shall be signed by the chief executive officer or a vice president and countersigned by the secretary or an assistant secretary or the chief financial officer or an assistant treasurer and may be sealed with the seal, if any, of the Trust. The signatures may be either manual or facsimile. Certificates shall be consecutively numbered; and if the Trust shall, from time to time, issue several classes of shares, each class may have its own number series. A certificate is valid and may be issued whether or not an officer who signed it is still an officer when it is issued. Each certificate representing shares which are restricted as to their transferability or voting powers, which are preferred or limited as to their dividends or as to their allocable portion of the assets upon liquidation or which are redeemable at the option of the Trust, shall have a statement of such restriction, limitation, preference or redemption provision, or a summary thereof, plainly stated on the certificate. In lieu of such statement or summary, the Trust may set forth upon the face or back of the certificate a statement that the Trust will furnish to any shareholder, upon request and without charge, a full statement of such information.

SECTION 2. Transfers. Certificates shall be treated as negotiable and title thereto and to the shares they represent shall be transferred by delivery thereof to the same extent as those of a Maryland stock corporation. Upon surrender to the Trust or the transfer agent of the Trust of a share certificate duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Trust shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

The Trust shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Maryland.

SECTION 3. Replacement Certificate. Any officer designated by the Trustees may direct a new certificate to be issued in place of any certificate previously issued by the Trust alleged to have been lost, stolen or destroyed upon the making of any affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. When authorizing the issuance of a new certificate, the officer designated by the Trustees may, in his discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or the owner's legal representative to advertise the same in such manner as he shall require and/or to give bond, with sufficient surety, to the Trust to indemnify it against any loss or claim which may arise as a result of the issuance of a new certificate.

SECTION 4. Closing of Transfer Books or Fixing of Record Date. The Trustees may set, in advance a record date for the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or determining shareholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of shareholders for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of shareholders not less than ten days, before the date on which the meeting or particular action requiring such determination of shareholders is to be held or taken.

In lieu of fixing a record date, the Trustees may provide that the share transfer books shall be closed for a stated period but not longer than 20 days. If the share transfer books are closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days before the date of such meeting.

If no record date is fixed and the share transfer books are not closed for the determination of shareholders, (a) the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day on which the notice of meeting is mailed or the 30th day before the meeting, whichever is the closer date to the meeting; and (b) the record date for the determination of shareholders entitled to receive payment of a dividend or an allotment of any other rights shall be the close of business on the day on which the resolution of the Trustees, declaring the dividend or allotment of rights, is adopted.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, except where the determination has been made through the closing of the transfer books and the stated period of closing the expired.

SECTION 5. Share Ledger. The Trust shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each shareholder and the number of shares of each class held by such shareholder.

SECTION 6. Fractional Shares; Issuance of Units. Trustees may issue fractional shares or provide for the issuance of scrip, all on such terms and under such conditions as they may determine. Notwithstanding any other provision of the Declaration of Trust or these Bylaws, the Trustees may issue units consisting of different securities of the Trust. Any security issued in a unit shall have the same characteristics as any identical securities issued by the Trust, except that the Trustees may provide that for a specified period securities of the Trust issued in such unit may be transferred on the books of the Trust only in such unit.

ARTICLE VIII

ACCOUNTING YEAR

The Trustees shall have the power, from time to time, to fix the fiscal year of the Trust by a duly adopted resolution.

ARTICLE IX

DISTRIBUTIONS

SECTION 1. Authorization. Dividends and other distributions upon the Shares of the Trust may be authorized and declared by the Trustees, subject to the provisions of law and the

Declaration of Trust. Dividends may be paid in cash, property or shares of the Trust, subject to the provisions of law and the Declaration of Trust.

SECTION 2. Contingencies. Before payment of any dividends, there may be set aside out of any funds of the Trust available for dividends such sum or sums as the Trustees may from time to time, in their absolute discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Trust or for such other purpose as the Trustees shall determine to be in the best interest of the Trust, and the Trustees may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

INVESTMENT POLICY

Subject to the provisions of the Declaration of Trust, the Trustees may from time to time adopt, amend, revise or terminate any policy or policies with respect to investments by the Trust as they shall deem appropriate in their sole discretion.

ARTICLE XI

SEAL

SECTION 1. Seal. The Trustees may authorize the adoption of a seal by the Trust. The seal shall have inscribed thereon the name of the Trust and the year of its organization. The Trustees may authorized one or more duplicate seals and provide for the custody thereof.

SECTION 2. Affixing Seal. Whenever the Trust is required to place its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Trust.

ARTICLE XII

INDEMNIFICATION AND ADVANCES FOR EXPENSES

To the maximum extent permitted by Maryland law in effect from time to time, the Trust, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall indemnify (a) any Trustee, officer or shareholder or any former Trustee, officer or shareholder (including among the foregoing, for all purposes of this Article XII and without limitation, any

individual who, while a Trustee, officer or shareholder and at the request of the Trust, serves or has served another corporation, partnership, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner or trustee of such corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) who has been successful, on the merits or otherwise, in the defense of a proceeding to which he was made a party by reason of such status, against reasonable expenses incurred by him in connection with the proceeding, (b) any Trustee or officer or any former Trustee or officer against any claim or liability to which he may become subject by reason of such status unless it is established that (i) his act or omission was material to the cause of action giving rise to the proceeding and was committed in bad faith or was the result of active and deliberate dishonesty, (ii) he actually received an improper personal benefit in money, property or services or (iii) in the case of a criminal proceeding, he had reasonable cause to believe that his act or omission was unlawful and (c) each shareholder or former shareholder against any claim or liability to which he may become subject by reason of such status. In addition, the Trust shall pay or reimburse, in advance of final disposition of a proceeding, reasonable expenses incurred by a Trustee, officer or shareholder or former Trustee, officer or shareholder made a party to a proceeding by reason of such status provided that, in the case of a Trustee or officer, the Trust shall have received (i) a written affirmation by the Trustee or officer of his good faith belief that he has met the applicable standard of conduct necessary for indemnification by the Trust as authorized by these Bylaws and (ii) a written undertaking by or on his behalf to repay the amount paid or reimbursed by the Trust if it shall ultimately be determined that the applicable standard of conduct was not met. The Trust may, with the approval of its Trustees, provide such indemnification and payment or reimbursement of expenses to any Trustee, officer or shareholder or any former Trustee, officer or shareholder who served a predecessor of the Trust in such capacity and to any employee or agent of the Trust or a predecessor of the Trust. Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of the Declaration of Trust or these Bylaws inconsistent with this Section, shall apply to or affect in any respect the applicability of this paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption. Any indemnification or payment or reimbursement of the expenses permitted by these Bylaws shall be furnished in accordance with the procedures provided for indemnification or payment or reimbursement of expenses, as the case may be, under Section 2-418 of the Maryland General Corporation Law (the "MGCL") for directors of Maryland corporations. The Trust may provide to Trustees, officers and shareholders such other and further indemnification or payment or reimbursement of expenses as may be permitted by the MGCL, as in effect from time to time, for directors of Maryland corporations.

ARTICLE XIII

WAIVER OF NOTICE

Whenever any notice is required to be given pursuant to the Declaration of Trust or Bylaws or pursuant to applicable law, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE XIV

AMENDMENT OF BYLAWS

The Trustees shall have the exclusive power to adopt, alter or repeal any provision of these Bylaws and to make new Bylaws.

ARTICLE XV

MISCELLANEOUS

All references to the Declaration of Trust shall include all amendments and supplements thereto.

EXHIBIT 11

VORNADO REALTY TRUST

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

	Three Months Ended	
	March 31, 1997	March 31, 1996
Weighted average number of shares outstanding	26,087,910	24,274,053
Common share equivalents for options after applying treasury stock method	461,788	190,425
Weighted Average Number of Shares and Common Share Equivalents Outstanding	\$26,549,698 =====	24,464,478 =====
Net income	\$ 9,690,000 =====	\$15,922,000 =====
Net Income Per Share	\$.36 =====	\$.65 =====

This schedule contains summary financial information extracted from the Company's unaudited financial statements for the three months ended March 31, 1997 and is qualified in its entirety by reference to such financial statements.

3-MOS	DEC-31-1997	
	MAR-31-1997	
		92,427
		28,239
		9,861
		641
		0
		0
		397,663
		154,016
		561,485
		0
		232,197
		0
		0
		1,044
		268,218
561,485		0
		0
		29,297
		0
		8,507
		11,061
		0
		4,078
		9,690
		0
9,690		0
		0
		0
		0
		9,690
		.36
		.36