

As filed with the Securities and Exchange Commission on February 24, 1999

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) AUGUST 12, 1998

Commission File Number: 1-11954

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

MARYLAND  
(State or other jurisdiction of incorporation)

22-1657560  
(I.R.S. Employer  
Identification Number)

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

07663  
(Zip Code)

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

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

This Form 8-K/A amends Item 7 of Vornado Realty Trust's current report on Form 8-K, dated August 12, 1998, as previously filed with the Securities and Exchange Commission on February 12, 1999 (the "Prior 8-K"), to replace the Condensed Consolidated Pro Forma Financial Statements in Item 7.

- ITEM 1. NOT APPLICABLE
- ITEM 2. See Item 2 of the Prior 8-K.
- ITEMS 3-6. NOT APPLICABLE
- ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

There are filed herewith the Condensed Consolidated Pro Forma Balance Sheet of Vornado Realty Trust ("Vornado") as of September 30, 1998 and the Condensed Consolidated Pro Forma Income Statement of Vornado for the nine months ended September 30, 1998 and the year ended December 31, 1997 commencing on page 5, prepared to give pro forma effect to the completed acquisitions of 689 Fifth Avenue, the Mendik RELP Properties, the Market Square Complex, 888 Seventh Avenue, and the previously reported acquisitions and investments reflected in the Form 8-K/A filed with the Securities and Exchange Commission on July 15, 1998 for the completed acquisitions of 770 Broadway and the additional interest in 570 Lexington Avenue and those previously reported acquisitions (Mendik Company, Arbor Property Trust, 90 Park Avenue, 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) and the financings attributable thereto. These Condensed Consolidated Pro Forma Financial Statements replace the Condensed Consolidated Pro Forma Financial Statements that were filed with the Prior 8-K.

## Pro Forma financial information:

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EXHIBIT NO. -----	EXHIBIT -----
10.1	Item 1 of Form 10-Q of Mendik Real Estate Limited Partnership for the nine months ended September 30, 1998 (incorporated by reference to exhibit 10.1 to the Prior 8-K).
23.1	Consent of Friedman Alpren & Green LLP (incorporated by reference to Exhibit 23.1 to the Prior 8-K).
23.2	Consent of Sharrard, McGee & Co., P.A. (incorporated by reference to Exhibit 23.2 to the Prior 8-K).
23.3	Consent of KPMG Peat Marwick LLP (incorporated by reference to Exhibit 23.3 to the Prior 8-K).
23.4	Consent of Deloitte & Touche LLP (incorporated by reference to Exhibit 23.4 to the Prior 8-K).
ITEM 8.	NOT APPLICABLE.

## 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 nine months ended September 30, 1998, as if the following had occurred on January 1, 1997 (i) the completed acquisitions of 689 Fifth Avenue, the Mendik RELP Properties, the Market Square Complex and 888 Seventh Avenue with the financings attributable thereto and (ii) the previously reported acquisitions and investments reflected in the Form 8-K/A filed with the Securities and Exchange Commission on July 15, 1998 for the completed acquisition of 770 Broadway and the additional interest in 570 Lexington Avenue and 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, 150 East 58th Street and the Merchandise Mart Group of Properties) and the financings attributable thereto and (B) the Condensed Consolidated Pro Forma Balance Sheet of Vornado as of September 30, 1998, as if all of the above acquisitions had occurred on September 30, 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 September 30, 1998, the Consolidated Financial Statements and notes thereto included in Mendik RELP's Annual Report on Form 10-K for the year ended December 31, 1997, and the Consolidated Financial Statements and notes thereto of Mendik RELP's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998. In management's opinion, all adjustments necessary to reflect these transactions have been made.

CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET  
 SEPTEMBER 30, 1998  
 (UNAUDITED)  
 (AMOUNTS IN THOUSANDS)

	HISTORICAL VORNADO -----	PRO FORMA ADJUSTMENTS -----	TOTAL PRO FORMA -----
<b>ASSETS:</b>			
Real estate, net	\$ 2,803,795	\$ 106,000 (A) 94,500 (B) 45,790 (C) 100,000 (D)	\$ 3,150,085
Cash and cash equivalents	269,952	(31,000) (A) (6,400) (B) (45,000) (D) 31,000 (E) 45,000 (E)	263,552
Investment in partially-owned entities, including investment in and advances to Alexander's	840,986	(19,790) (C)	821,196
Mortgage loans receivable	10,625		10,625
Receivable arising from straight-lining of rents	41,847		41,847
Other assets	160,515		160,515
	----- \$ 4,127,720 =====	----- \$ 320,100 =====	----- \$ 4,447,820 =====
<b>LIABILITIES:</b>			
Notes and mortgages payable	\$ 1,234,314	\$ 46,000 (A) 44,600 (B) 26,000 (C) 55,000 (D)	\$ 1,405,914
Revolving credit facility	683,250	31,000 (E) 45,000 (E)	759,250
Deferred leasing fee income	9,868		9,868
Officer's deferred compensation payable	34,664		34,664
Other liabilities	78,948		78,948
	----- 2,041,044 -----	----- 247,600 -----	----- 2,288,644 -----
Minority interest of unitholders in the Operating Partnership	302,549	43,500 (B)	346,049
<b>EQUITY:</b>			
Total equity	1,784,127	29,000 (A)	1,813,127
	----- \$ 4,127,720 =====	----- \$ 320,100 =====	----- \$ 4,447,820 =====

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED INCOME STATEMENT FOR THE NINE MONTHS  
 ENDED SEPTEMBER 30, 1998  
 (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
	-----	-----	-----	-----	-----	-----
<b>Revenues:</b>						
Property rentals	\$ 299,924	\$ 40,628	\$ 340,552	\$ 58,080	\$ 5,969 (F)	\$ 403,184
	--	--	--	--	(1,417) (G)	
Expense reimbursements	53,000	1,955	54,955	2,570	3	57,528
Other income	6,482	1,481	7,963	872	2	8,837
	-----	-----	-----	-----	-----	-----
	359,406	44,064	403,470	61,522	4,557	469,549
	-----	-----	-----	-----	-----	-----
<b>EXPENSES:</b>						
Operating	144,214	19,582	163,796	32,005	(1,216) (G)	194,585
Depreciation and amortization	41,605	6,049	47,654	1,159	3,848 (H)	52,661
General and administrative	18,792	--	18,792	506	21	19,319
	-----	-----	-----	-----	-----	-----
	204,611	25,631	230,242	33,670	2,653	266,565
	-----	-----	-----	-----	-----	-----
Operating income	154,795	18,433	173,228	27,852	1,904	202,984
Income applicable to Alexander's	806	--	806	--	--	806
Income from partially owned entities	20,871	(519)	20,352	--	(1,118) (I)	19,234
Interest and other investment						
income	18,067	(786)	17,281	246	--	17,527
Interest and debt expense	(80,536)	(12,070)	(92,606)	(6,888)	(10,278) (J)	(109,772)
Net gain from insurance settlement						
and condemnation proceedings	9,649	--	9,649	--	--	9,649
Minority interest of unitholders in						
the Operating Partnership	(10,767)	(1,379)	(12,146)	(2,714)	2,714 (K)	(14,717)
	-----	-----	-----	-----	(2,571) (L)	-----
Net income	112,885	3,679	116,564	18,496	(9,349)	125,711
Preferred stock dividends	(16,268)	--	(16,268)	--	--	(16,268)
	-----	-----	-----	-----	-----	-----
Net income applicable to						
common shares	\$ 96,617	\$ 3,679	\$100,296	\$ 18,496	\$ (9,349)	\$ 109,443
	=====	=====	=====	=====	=====	=====
Net income per common share - basic						
(based on 79,407 shares and						
85,064 shares)	\$ 1.22					\$ 1.29
	=====					=====
Net income per common share - diluted						
(based on 81,482 shares and						
87,139 shares)	\$ 1.19					\$ 1.26
	=====					=====

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED INCOME STATEMENT FOR THE  
NINE MONTHS ENDED SEPTEMBER 30, 1998  
(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 (1):						
Net income applicable to common shares	\$ 96,617	\$ 3,679	\$ 100,296	\$ 18,496	\$ (9,349)	\$ 109,443
Depreciation and amortization of real property	41,002	6,049	47,051	1,159	3,848	52,058
Straight-lining of property rent escalations	-- (10,218)	-- (551)	-- (10,769)	-- (435)	-- (2,221)	-- (13,425)
Leasing fees received in excess of income recognized	1,047	--	1,047	--	--	1,047
Proportionate share of adjustments to equity in net income of partially owned entities to arrive at funds from operations	41,691	320	42,011	--	(1,318)	40,693
Net gain from insurance settlement and condemnation proceeding	(9,649)	--	(9,649)	--	--	(9,649)
Minority interest in excess of preferential distributions	(2,701)	(134)	(2,835)	--	(1,578)	(4,413)
	-----	-----	-----	-----	-----	-----
	\$ 157,789	\$ 9,363	\$ 167,152	\$ 19,220	\$ (10,618)	\$ 175,754
	=====	=====	=====	=====	=====	=====
CASH FLOW PROVIDED BY (USED IN):						
Operating activities	\$ 99,885					\$ 118,862
Investing activities	\$(1,184,759)					\$(1,267,159)
Financing activities	\$ 869,773					\$ 945,773

(1) 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 PRO FORMA UNAUDITED INCOME STATEMENT  
FOR THE PERIODS IN 1998 PRIOR TO ACQUISITION  
(AMOUNTS IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30, 1998	NINE MONTHS ENDED SEPTEMBER 30, 1998			HISTORICAL- CURRENT ACQUISITIONS COMBINED
	689 FIFTH AVENUE (1)	MENDIK RELP PROPERTIES	MARKET SQUARE COMPLEX	888 SEVENTH AVENUE	
Revenues:					
Property rentals	\$ 1,650	\$ 28,444	\$ 10,737	\$17,249	\$ 58,080
Expense reimbursements	11	--	--	2,559	2,570
Other income	7	--	--	865	872
	-----	-----	-----	-----	-----
	1,668	28,444	10,737	20,673	61,522
	-----	-----	-----	-----	-----
EXPENSES:					
Operating	888	15,391	4,935	10,791	32,005
Depreciation and amortization	--	148	1,011	--	1,159
General and administrative	83	423	--	--	506
	-----	-----	-----	-----	-----
	971	15,962	5,946	10,791	33,670
	-----	-----	-----	-----	-----
Operating income	697	12,482	4,791	9,882	27,852
Equity in net income of investees	--	--	--	--	--
Interest and dividend income	--	246	--	--	246
Interest and debt expense	--	(4,157)	(2,731)	--	(6,888)
Minority interest	--	(2,714)	--	--	(2,714)
	-----	-----	-----	-----	-----
Net income	\$ 697	\$ 5,857	\$ 2,060	\$ 9,882	\$ 18,496
	=====	=====	=====	=====	=====

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



CONDENSED COMBINING PRO FORMA UNAUDITED INCOME STATEMENT  
 FOR PREVIOUSLY REPORTED ACQUISITIONS  
 FOR THE PERIODS IN 1998 PRIOR TO ACQUISITION  
 (AMOUNTS IN THOUSANDS)

	ONE PENN PLAZA -----	150 EAST 58TH STREET -----	MERCHANDISE MART GROUP OF PROPERTIES -----	770 BROADWAY -----	PRO FORMA ADJUSTMENTS -----	PREVIOUSLY REPORTED ACQUISITIONS -----
<b>Revenues:</b>						
Property rentals	\$4,034	\$ 2,896	\$ 25,729	\$ 7,418	\$ 551	\$ 40,628
Expense reimbursements	430	427	--	1,098	--	1,955
Other income	661	114	580	126	--	1,481
	-----	-----	-----	-----	-----	-----
	5,125	3,437	26,309	8,642	551	44,064
	-----	-----	-----	-----	-----	-----
<b>EXPENSES:</b>						
Operating	3,126	1,692	12,957	2,804	(997)	19,582
Depreciation and amortization	--	--	--	--	6,049	6,049
General and administrative	--	--	--	--	--	--
	-----	-----	-----	-----	-----	-----
	3,126	1,692	12,957	2,804	5,052	25,631
	-----	-----	-----	-----	-----	-----
Operating income	1,999	1,745	13,352	5,838	(4,501)	18,433
Equity in net income of investees	--	--	--	--	(519)	(519)
Interest and dividend income	--	--	--	--	(786)	(786)
Interest and debt expense	--	--	--	--	(12,070)	(12,070)
Minority interest	--	--	(1,012)	(367)	--	(1,379)
	-----	-----	-----	-----	-----	-----
Net income	\$1,999	\$ 1,745	\$ 12,340	\$ 5,471	\$(17,876)	\$ 3,679
	=====	=====	=====	=====	=====	=====

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1997  
(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
	-----	-----	-----	-----	-----	-----
<b>Revenues:</b>						
Property rentals	\$ 168,321	\$ 244,202	\$ 412,523	\$ 72,777	\$ 9,432 (M)	\$ 492,261
	--	--	--	--	(2,471) (N)	
Expense reimbursements	36,652	33,552	70,204	3,522	--	73,726
Other income	4,158	11,175	15,333	4,199	(2,921) (O)	16,611
	-----	-----	-----	-----	-----	-----
	209,131	288,929	498,060	80,498	4,040	582,598
	-----	-----	-----	-----	-----	-----
<b>EXPENSES:</b>						
Operating	74,745	137,769	212,514	44,567	(1,884) (N)	255,197
Depreciation and amortization	22,983	36,469	59,452	6,640	139 (P)	66,231
General and administrative	13,580	4,668	18,248	735	--	18,983
Amortization of officer's deferred compensation expense	22,917	(22,917)	--	--	--	--
	-----	-----	-----	-----	-----	-----
	134,225	155,989	290,214	51,942	(1,745)	340,411
	-----	-----	-----	-----	-----	-----
Operating income	74,906	132,940	207,846	28,556	5,785	242,187
Income applicable to Alexander's	7,873	--	7,873	--	--	7,873
Income from partially owned entities	4,658	16,382	21,040	--	(672) (Q)	20,368
Interest and other investment income	23,767	(3,475)	20,292	245	--	20,537
Interest and debt expense	(42,888)	(69,233)	(112,121)	(9,923)	(14,062) (R)	(136,106)
Minority interest of unitholders in the Operating Partnership	(7,293)	(9,010)	(16,303)	(1,370)	1,370 (S) (2,780) (T)	(19,083)
	-----	-----	-----	-----	-----	-----
Net income	61,023	67,604	128,627	17,508	(10,359)	135,776
Preferred stock dividends	(15,549)	(5,137)	(20,686)	--	--	(20,686)
	-----	-----	-----	-----	-----	-----
Net income applicable to common shares	\$ 45,474	\$ 62,467	\$ 107,941	\$ 17,508	\$ (10,359)	\$ 115,090
	=====	=====	=====	=====	=====	=====
Net income per common share - basic (based on 55,098 shares and 85,064 shares)	\$ 0.83					\$ 1.35
	=====					=====
Net income per common share - diluted (based on 57,217 shares and 87,139 shares)	\$ 0.79					\$ 1.32
	=====					=====

CONDENSED CONSOLIDATED PRO FORMA UNAUDITED INCOME STATEMENT FOR THE  
YEAR ENDED DECEMBER 31, 1997  
(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 (1):						
Net income applicable to common shares	\$ 45,474	\$ 62,467	\$ 107,941	\$ 17,508	\$ (10,359)	\$ 115,090
Depreciation and amortization of real property	22,413	34,368	57,781	6,640	139	63,560
Straight-lining of property rent escalations	(3,359)	4,186	827	589	(3,266)	(1,850)
Leasing fees received in excess of income recognized	1,733	--	1,733	--	--	1,733
Proportionate share of adjustments to equity in net income of partially owned entities to arrive at funds from operations	6,358	35,639	41,997	--	(1,360)	40,637
Non-recurring lease cancellation income and write-off of related costs	--	(11,581)	(11,581)	--	--	(11,581)
Minority interest in excess of preferential distributions	--	(1,417)	(1,417)	--	(2,135)	(3,552)
	-----	-----	-----	-----	-----	-----
	\$ 72,619	\$ 123,662	\$ 196,281	\$ 24,737	\$ (16,981)	\$ 204,037
	=====	=====	=====	=====	=====	=====
CASH FLOW PROVIDED BY (USED IN):						
Operating activities	\$ 110,754					\$ 271,020
Investing activities	\$ (1,064,484)					\$ (2,007,943)
Financing activities	\$ 1,219,988					\$ 1,440,961

(1) 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 PRO FORMA INCOME STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 1997  
(AMOUNTS IN THOUSANDS)

	689 FIFTH AVENUE (1)	MENDIK REL PROPERTIES	MARKET SQUARE COMPLEX	888 SEVENTH AVENUE	HISTORICAL- CURRENT ACQUISITIONS COMBINED
	-----	-----	-----	-----	-----
Revenues:					
Property rentals	\$ 3,289	\$ 36,189	\$ 15,124	\$18,175	\$ 72,777
Expense reimbursements	179	--	--	3,343	3,522
Other income	52	2,921	--	1,226	4,199
	-----	-----	-----	-----	-----
	3,520	39,110	15,124	22,744	80,498
	-----	-----	-----	-----	-----
EXPENSES:					
Operating	1,596	20,827	6,323	15,821	44,567
Depreciation and amortization	--	5,247	1,393	--	6,640
General and administrative	99	636	--	--	735
Amortization of officer's deferred compensation expense	--	--	--	--	--
	-----	-----	-----	-----	-----
	1,695	26,710	7,716	15,821	51,942
	-----	-----	-----	-----	-----
Operating income	1,825	12,400	7,408	6,923	28,556
Equity in net income of investees	--	--	--	--	--
Interest and dividend income	--	245	--	--	245
Interest and debt expense	--	(6,162)	(3,761)	--	(9,923)
Minority interest	--	(1,370)	--	--	(1,370)
	-----	-----	-----	-----	-----
Net income	\$ 1,825	\$ 5,113	\$ 3,647	\$ 6,923	\$ 17,508
	=====	=====	=====	=====	=====

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

CONDENSED COMBINING PRO FORMA UNAUDITED INCOME STATEMENT FOR PREVIOUSLY  
REPORTED ACQUISITIONS FOR THE YEAR ENDED DECEMBER 31, 1997 OR THE  
PERIODS IN 1997 PRIOR TO ACQUISITION  
(AMOUNTS IN THOUSANDS)

	MENDIK COMPANY	ARBOR PROPERTY TRUST	90 PARK AVENUE	THE MONTEHIEDRA TOWN CENTER	THE RIESE TRANSACTION	640 FIFTH AVENUE	ONE PENN PLAZA
Revenues:							
Property rentals	\$ 34,928	\$ 19,837	\$12,418	\$2,059	\$ 805	\$ 5,053	\$48,412
Expense reimbursements	2,908	16,089	2,975	470	43	1,837	5,155
Other income	3,187	72	264	57	23	--	7,936
	-----	-----	-----	-----	-----	-----	-----
	41,023	35,998	15,657	2,586	871	6,890	61,503
	-----	-----	-----	-----	-----	-----	-----
EXPENSES:							
Operating	12,805	16,500	6,420	585	667	4,355	37,511
Depreciation and amortization	4,682	4,301	--	--	--	--	--
General and administrative	2,684	1,539	--	--	--	--	--
Amortization of officer's deferred compensation expense	--	--	--	--	--	--	--
	-----	-----	-----	-----	-----	-----	-----
	20,171	22,340	6,420	585	667	4,355	37,511
	-----	-----	-----	-----	-----	-----	-----
Operating income	20,852	13,658	9,237	2,001	204	2,535	23,992
Equity in net income of investees	362	--	--	--	--	--	--
Interest and dividend income	899	--	--	--	--	--	--
Interest and debt expense	(7,967)	(10,272)	--	--	--	--	--
Minority interest	(3,077)	--	--	--	--	--	--
Preferred stock dividends	--	--	--	--	--	--	--
	-----	-----	-----	-----	-----	-----	-----
Net income	\$ 11,069	\$ 3,386	\$ 9,237	\$2,001	\$ 204	\$ 2,535	\$23,992
	=====	=====	=====	=====	=====	=====	=====

	150 EAST 58TH STREET	MERCHANDISE MART GROUP OF PROPERTIES	770 BROADWAY	PRO FORMA ADJUSTMENTS	PREVIOUSLY REPORTED ACQUISITIONS
Revenues:					
Property rentals	\$ 13,901	\$ 99,087	\$ 14,910	\$ (7,208)	\$ 244,202
Expense reimbursements	2,049	--	2,026	--	33,552
Other income	547	1,711	--	(2,622)	11,175
	-----	-----	-----	-----	-----
	16,497	100,798	16,936	(9,830)	288,929
	-----	-----	-----	-----	-----
EXPENSES:					
Operating	8,121	49,339	6,235	(4,769)	137,769
Depreciation and amortization	--	--	--	27,486	36,469
General and administrative	--	--	--	445	4,668
Amortization of officer's deferred compensation expense	--	--	--	(22,917)	(22,917)
	-----	-----	-----	-----	-----
	8,121	49,339	6,235	245	155,989
	-----	-----	-----	-----	-----
Operating income	8,376	51,459	10,701	(10,047)	132,940
Equity in net income of investees	--	--	--	16,020	16,382
Interest and dividend income	--	897	--	(5,271)	(3,475)
Interest and debt expense	--	--	--	(50,994)	(69,233)
Minority interest	--	(4,048)	(734)	(1,151)	(9,010)
Preferred stock dividends	--	--	--	(5,137)	(5,137)
	-----	-----	-----	-----	-----
Net income	\$ 8,376	\$ 48,308	\$ 9,967	\$ (56,608)	\$ 62,467
	=====	=====	=====	=====	=====

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

The unaudited Condensed Consolidated Pro Forma Financial Statements were prepared to give pro forma effect to the completed acquisitions of 689 Fifth Avenue, the Mendik RELP Properties, the Market Square Complex, and 888 Seventh Avenue, the previously reported completed acquisitions and investments (Mendik Company, Arbor Property Trust, 90 Park Avenue, 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, the Merchandise Mart Group of Properties, 770 Broadway and additional interest in 570 Lexington Avenue (all included in the column headed "Previously Reported Acquisitions")) and the financings attributable thereto, for the period of time during 1998 prior to their acquisition. The Pro Forma data for certain previously completed acquisitions, which were disclosed in Forms 8-K previously filed with the Securities and Exchange Commission has been updated to (i) include information through September 30, 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.

The column headed "Historical - Current Acquisitions Combined" included in the Condensed Consolidated Pro Forma Income Statement for the nine months ended September 30, 1998 and the year ended December 31, 1997, includes the revenues and expenses from the Mendik RELP's Consolidated Statement of Operations for the nine months ended September 30, 1998 as filed on Mendik RELP's Form 10-Q and the Consolidated Statement of Operations for the year ended December 31, 1997 as filed on Mendik RELP's Annual Report on Form 10-K. These amounts include the 40% interest in Two Park Avenue that was owned by Vornado prior to the acquisition of the remaining 60% interest and accordingly, adjustments are required to eliminate this equity investment. Such adjustments are included in the column headed "Pro Forma Adjustments".

The "Historical - Current Acquisitions Combined" column in the Condensed Consolidated Pro Forma Unaudited Income Statement for the Nine Months Ended September 30, 1998 reflects revenues and certain expenses for the six months ended June 30, 1998 for 689 Fifth Avenue. This asset was acquired on August 12, 1998 and accordingly, adjustments are required to record historical revenues and expenses from June 30, 1998 through the acquisition date. Such adjustments are included in the Pro Forma Adjustment column. The "Historical - Current Acquisitions Combined" column also includes the revenues and certain expenses for the nine months ended September 30, 1998 for the Mendik RELP Properties, the Market Square Complex and 888 Seventh Avenue.

Acquisitions were consummated through subsidiaries or preferred stock affiliates of Vornado Realty L.P. (the "Operating Partnership") (of which Vornado owns an approximate 88.7% limited partnership interest at December 22, 1998 and is the sole general partner) and were recorded under the purchase method of accounting. 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 September 30, 1998 Balance Sheet:

- (A) Reflects the acquisition of the Mendik RELP Properties (330 West 34th Street, the Saxon Woods Corporate Center and the additional 60% interest in Two Park Avenue) for approximately \$106 million, consisting of \$31 million in cash from borrowings under the revolving credit facility, the issuance of \$29 million of common shares and assumed debt of \$46 million.
- (B) To record the acquisition of the Market Square Complex for approximately \$94.5 million, consisting of \$44.6 million in debt, \$43.5 million in a combination of Class A Operating Partnership Units and Series C-1 Preferred Operating Partnership Units and \$6.4 million in cash.
- (C) Reflects the reclassification of the equity investment in the original 40% interest in Two Park Avenue into its balance sheet components.
- (D) To record the acquisition of 888 Seventh Avenue for approximately \$100 million, consisting of \$45 million of cash from borrowings under the revolving credit facility and \$55 million of assumed debt.
- (E) Reflects borrowings under the revolving credit facility to fund the cash portion of the purchase price.

Pro Forma September 30, 1998 Income Statement:

- (F) To adjust property rentals arising from the straight-lining of tenant leases that contain escalations over the lease term.
- (G) To eliminate revenues and expenses of non-real estate operations of the Market Square Complex.
- (H) To adjust depreciation expense for the new basis of the acquired assets, offset by the elimination of historical depreciation as recorded on the Mendik RELP and Market Square income statements.
- (I) To eliminate income accounted for under the equity method on the original 40% interest in Two Park Avenue included in Vornado's historical income statement.
- (J) To record interest expense from assumed debt, at applicable rates, and from borrowings on the revolving credit facility used to finance the cash portion of the acquisitions of the Mendik RELP Properties, 689 Fifth Avenue and 888 Seventh Avenue at an assumed borrowing rate of 6.5%.
- (K) To eliminate historical minority interest in the Mendik RELP.
- (L) To record minority interest in income from acquisitions.

Pro Forma December 31, 1997 Income Statement:

- (M) To adjust property rentals arising from the straight-lining of tenant leases that contain escalations over the lease term.
- (N) To eliminate revenues and expenses of non-real estate operations of the Market Square Complex.
- (O) To eliminate gain relating to the Mendik RELP properties which would not be a part of the proposed future operations of the properties being acquired.

- (P) To adjust depreciation expense for the new basis of the acquired assets, offset by the elimination of historical depreciation as recorded on the Mendik RELP and Market Square income statements.
- (Q) To eliminate income accounted for under the equity method on the original 40% interest in Two Park Avenue included in Vornado's historical income statement.
- (R) To record interest expense from assumed debt, at applicable rates, and from borrowings on the revolving credit facility used to finance the cash portion of the acquisitions of the Mendik RELP Properties, 689 Fifth Avenue and 888 Seventh Avenue at an assumed borrowing rate of 6.5%.
- (S) To eliminate historical minority interest in the Mendik RELP.
- (T) 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

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(Registrant)

Date: February 24, 1999

/s/ Irwin Goldberg

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IRWIN GOLDBERG  
Vice President,  
Chief Financial Officer

## INDEX TO EXHIBITS

EXHIBIT NO.	EXHIBIT
10.1	Item 1 of Form 10-Q of Mendik Real Estate Limited Partnership for the nine months ended September 30, 1998 (incorporated by reference to Exhibit 10.1 to the Prior 8-K)
23.1	Consent of Friedman Alpren & Green LLP (incorporated by reference to Exhibit 23.1 to the Prior 8-K)
23.2	Consent of Sharrard, McGee & Co., P.A. (incorporated by reference to Exhibit 23.2 to the Prior 8-K)
23.3	Consent of KPMG Peat Marwick LLP (incorporated by reference to Exhibit 23.3 to the Prior 8-K)
23.4	Consent of Deloitte & Touche LLP (incorporated by reference to Exhibit 23.4 to the Prior 8-K)