

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: September 30, 1999

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

(Address of principal executive offices)

07663

(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 October 25, 1999 there were 85,948,399 common shares of the
registrant's shares of beneficial interest outstanding.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

VORNADO REALTY TRUST

CONSOLIDATED BALANCE SHEETS

(amounts in thousands except share amounts)

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
	-----	-----
ASSETS		
Real estate, at cost:		
Land.....	\$ 826,824	\$ 743,324
Buildings and improvements.....	2,999,869	2,561,383
Leasehold improvements and equipment.....	14,251	11,184
	-----	-----
Total.....	3,840,944	3,315,891
Less accumulated depreciation and amortization.....	(286,650)	(226,816)
	-----	-----
Real estate, net.....	3,554,294	3,089,075
Cash and cash equivalents, including U.S. government obligations under repurchase agreements of \$81,090 and \$56,500.....	140,752	167,808
Restricted cash.....	18,410	44,195
Marketable securities.....	77,472	77,156
Investments and advances to partially-owned entities, including Alexander's of \$101,211 and \$104,038.....	1,194,404	827,840
Due from officers.....	18,070	17,165
Accounts receivable, net of allowance for doubtful accounts of \$6,340 and \$3,044	41,913	35,517
Notes and mortgages receivable.....	50,063	10,683
Deposits in connection with real estate acquisitions.....	25,529	22,947
Receivable arising from the straight-lining of rents.....	73,098	49,711
Other assets.....	114,115	83,682
	-----	-----
TOTAL ASSETS.....	\$ 5,308,120	\$ 4,425,779
	=====	=====

	SEPTEMBER 30, 1999	DECEMBER 31, 1998
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes and mortgages payable.....	\$ 1,690,966	\$ 1,363,750
Revolving credit facility.....	382,000	687,250
Accounts payable and accrued expenses.....	101,057	109,925
Officer's deferred compensation payable.....	33,339	35,628
Deferred leasing fee income.....	8,468	10,051
Other liabilities.....	3,882	3,196
	-----	-----
	2,219,712	2,209,800
	-----	-----
Minority interest.....	1,061,208	433,301
	-----	-----
Commitments and contingencies		
Shareholders' equity:		
Preferred shares of beneficial interest:		
no par value per share; authorized, 45,000,000 shares;		
Series A: liquidation preference \$50.00 per share; issued 5,789,239 shares.....	284,914	282,758
Series B: liquidation preference \$25.00 per share; issued 3,400,000 shares.....	81,967	--
Series C: liquidation preference \$25.00 per share; issued 4,600,000 shares.....	111,148	--
Common shares of beneficial interest:		
\$.04 par value per share; authorized, 150,000,000 shares; issued 85,946,899 and 85,076,542 shares.....	3,437	3,403
Additional capital.....	1,683,740	1,653,208
Accumulated deficit.....	(112,992)	(132,837)

	-----	-----
	2,052,214	1,806,532
Accumulated other comprehensive loss.....	(20,227)	(18,957)
Due from officers for purchase of common shares.....	(4,787)	(4,897)
	-----	-----
Total shareholders' equity.....	2,027,200	1,782,678
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$ 5,308,120	\$ 4,425,779
	=====	=====

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands except per share amounts)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998	1999	1998
Revenues:				
Property rentals.....	\$ 153,598	\$ 118,197	\$ 434,215	\$ 299,924
Expense reimbursements.....	24,841	20,210	66,712	53,000
Other income (including fee income from related parties of \$500 and \$450 in each three month period and \$1,314 and \$1,635 in each nine month period) ..	4,382	2,265	12,380	6,482
Total revenues.....	182,821	140,672	513,307	359,406
Expenses:				
Operating.....	74,644	58,607	206,340	144,214
Depreciation and amortization.....	21,438	16,210	60,315	41,605
General and administrative.....	7,722	6,775	27,519	18,792
Total expenses.....	103,804	81,592	294,174	204,611
Operating income.....	79,017	59,080	219,133	154,795
Income (loss) applicable to Alexander's.....	1,610	(2,340)	4,951	806
Income from partially owned entities.....	19,664	11,195	60,682	20,871
Interest and other investment income.....	4,222	5,230	12,580	18,067
Interest and debt expense.....	(35,085)	(34,034)	(105,986)	(80,536)
Net gain from insurance settlement and condemnation proceeding.....	--	9,649	--	9,649
Minority interest.....	(14,382)	(3,698)	(35,360)	(10,767)
Net income.....	55,046	45,082	156,000	112,885
Preferred stock dividends (including accretion of issuance expenses of \$719 and \$2,156 in each three and nine month period).....	(9,672)	(5,423)	(23,765)	(16,268)
Net income applicable to common shares.....	\$ 45,374	\$ 39,659	\$ 132,235	\$ 96,617
Net income per common share - basic.....	\$.53	\$.47	\$ 1.55	\$ 1.22
Net income per common share - diluted.....	\$.52	\$.46	\$ 1.51	\$ 1.19
Dividends per common share.....	\$.44	\$.40	\$ 1.32	\$ 1.20

See notes to consolidated financial statements.

VORNADO REALTY TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	1999	1998
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 156,000	\$ 112,885
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation and amortization (including debt issuance costs).....	60,315	41,605
Straight-lining of rental income.....	(23,387)	(14,977)
Minority interest.....	35,360	10,767
Equity in income of Alexander's (including depreciation of \$450 in each period).....	(4,951)	(806)
Equity in net income of partially-owned entities in excess of distributions.....	(48,517)	(9,122)
Net gain from insurance settlement and condemnation proceedings.....	--	(9,649)
Gain on marketable securities.....	(382)	(1,530)
Changes in operating assets and liabilities.....	(46,605)	(29,288)
	-----	-----
Net cash provided by operating activities.....	127,833	99,885
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of real estate and other.....	(182,400)	(855,800)
Investments in partially-owned entities.....	(35,845)	(308,800)
Proceeds from sale of Cold Storage assets.....	22,769	--
Investment in notes and mortgages receivable.....	(53,380)	(6,562)
Repayment of mortgage loans receivable.....	14,000	67,663
Cash restricted for tenant improvements.....	25,785	(6,133)
Additions to real estate.....	(113,945)	(67,392)
Purchases of securities available for sale.....	(3,939)	(73,773)
Proceeds from sale or maturity of securities available for sale.....	12,498	14,903
Real estate deposits and other.....	(23,782)	53,712
	-----	-----
Net cash used in investing activities.....	(338,239)	(1,182,182)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings.....	205,000	1,423,953
Repayments of borrowings.....	(394,975)	(883,043)
Debt issuance costs.....	(8,059)	(6,533)
Proceeds from issuance of common shares.....	--	445,282
Proceeds from issuance of preferred stock.....	193,282	--
Proceeds from issuance of units.....	343,155	--
Distributions to minority partners.....	(23,491)	(2,577)
Dividends paid on common shares.....	(112,390)	(94,430)
Dividends paid on preferred shares.....	(21,608)	(16,268)
Exercise of stock options.....	2,436	812
	-----	-----
Net cash provided by financing activities.....	183,350	867,196
	-----	-----
Net decrease in cash and cash equivalents.....	(27,056)	(215,101)
Cash and cash equivalents at beginning of period.....	167,808	355,954
	-----	-----
Cash and cash equivalents at end of period.....	\$ 140,752	\$ 140,853
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (including capitalized interest of \$4,379 in 1999).....	\$ 108,713	\$ 75,305
NON-CASH TRANSACTIONS:		
Financing assumed in acquisitions.....	\$ 188,000	\$ 497,300
Minority interest in connection with acquisitions.....	299,390	140,000
Unrealized gain (loss) on securities available for sale.....	8,493	(1,589)

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Vornado Realty Trust is a fully-integrated real estate investment trust ("REIT"). In April 1997, Vornado transferred substantially all of its assets to Vornado Realty L.P., a Delaware limited partnership (the "Operating Partnership"). As a result, Vornado conducts its business through the Operating Partnership. Vornado is the sole general partner of, and owned approximately 86% of the common limited partnership interest in, the Operating Partnership at October 25, 1999. All references to the "Company" and "Vornado" refer to Vornado Realty Trust and its consolidated subsidiaries, including the Operating Partnership.

2. BASIS OF PRESENTATION

The consolidated balance sheet as of September 30, 1999, the consolidated statements of income for the three and nine months ended September 30, 1999 and 1998 and the consolidated statements of changes in cash flows for the nine months ended September 30, 1999 and 1998 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 consolidated financial statements and notes thereto included in Vornado's annual report on Form 10-K for the year ended December 31, 1998 as filed with the Securities and Exchange Commission. The results of operations for the nine months ended September 30, 1999 are not necessarily indicative of the operating results for the full year.

The accompanying consolidated financial statements include the accounts of Vornado Realty Trust and its majority-owned subsidiary, Vornado Realty L.P., as well as equity interests acquired that individually (or in the aggregate with prior interests) exceed a 50% interest and the Company exercises unilateral control. All significant intercompany amounts have been eliminated. Equity interests in partially-owned entities include partnerships, joint ventures and preferred stock affiliates (corporations in which the Company owns all of the preferred stock and none of the common equity) and are accounted for under the equity method of accounting as the Company exercises significant influence. These investments are recorded initially at cost and subsequently adjusted for net equity in income (loss) and cash contributions and distributions. Ownership of the preferred stock entitles the Company to substantially all of the economic benefits in the preferred stock affiliates. The common stock of the preferred stock affiliates is owned by Officers and Trustees of Vornado.

Management has made estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation.

3. ACQUISITIONS AND FINANCINGS

ACQUISITIONS

888 Seventh Avenue

On January 12, 1999, the Company completed the acquisition of 888 Seventh Avenue, a 46 story Manhattan office building, for approximately \$100,000,000, of which \$55,000,000 was indebtedness.

Newkirk Joint Ventures

On March 9, 1999, the Company and its joint venture partner completed the acquisition of additional equity interests in certain limited partnerships. The Company's additional investment of \$52,435,000 consisted of \$47,790,000 in Operating Partnership Units and \$4,645,000 in cash.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Charles E. Smith Commercial Realty L.P. ("CESCR")

On March 4, 1999, the Company made an additional \$242,000,000 investment in CESCR by contributing to CESCR the land under certain CESCR office properties in Crystal City, Arlington, Virginia and partnership interests in certain CESCR subsidiaries. The Company acquired these assets from Commonwealth Atlantic Properties, Inc. ("CAPI"), an affiliate of Lazard Freres Real Estate Investors L.L.C., immediately prior to the contribution to CESCR. Together with the Company's investment in CESCR made in 1997 and the units it reacquired in March 1999 from Vornado Operating Company, the Company owns approximately 34% of CESCR's limited partnership units. In addition, the Company acquired from CAPI for \$8,000,000 the land under a Marriott Hotel located in Crystal City.

The purchase price was paid to CAPI by the Company issuing \$250,000,000 of 6% Convertible Preferred Units of the Company's Operating Partnership. The Preferred Units are convertible at \$44 per unit and the coupon increases to 6.50% over the next three years and then fixes at 6.75% in year eight. The Company has the right to appoint one of three members to CESCR's Board of Managers, increasing under certain circumstances to two of four members in March 2002.

In connection with these transactions, the Company made a five-year \$41,000,000 loan to CAPI with interest at 8%, increasing to 9% ratably over the term. The loan is secured by approximately \$55,000,000 of the Operating Partnership's units issued to CAPI as well as certain real estate assets.

Acquisition of 909 Third Avenue

On July 21, 1999, the Company acquired 909 Third Avenue, a 33 story Manhattan office building, for approximately \$123,000,000, of which \$109,000,000 was indebtedness.

Hotel Pennsylvania

On August 5, 1999, the Company increased its interest in the Hotel Pennsylvania to 100% by acquiring Planet Hollywood International, Inc.'s ("Planet Hollywood") 20% interest in the hotel for approximately \$18,000,000 and assumed \$24,000,000 of existing debt. In connection with the transaction, the Company terminated the licensing agreement with Planet Hollywood for an Official All-Star Hotel. The Hotel Pennsylvania is located in New York City on Seventh Avenue opposite Madison Square Garden.

Acquisition of 595 Madison Avenue

On September 15, 1999, the Company acquired 595 Madison Avenue (the "Fuller Building"), a 40 story Manhattan office building, for approximately \$125,000,000 in cash.

FINANCINGS

Two Penn Plaza Refinancing

On February 18, 1999, the Company completed a \$165,000,000 refinancing of its Two Penn Plaza office building and prepaid the then existing \$80,000,000 debt on the property. The new 5-year debt matures in February 2004 and bears interest at 7.08%.

Hotel Pennsylvania

On April 1, 1999, the Company entered into an interest rate swap agreement on the existing \$120,000,000 mortgage on the property. The agreement swaps the stated interest rate of LIBOR + 1.60% for a fixed rate of 7% through the termination date of the agreement, March 31, 2000.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

350 North Orleans Financing

On July 8, 1999, the Company completed a \$70,000,000 mortgage financing of its 350 North Orleans property in Chicago. The Company received proceeds of \$40,000,000 and is expected to receive the remaining \$30,000,000 during the next year upon meeting certain debt service coverage requirements. The new 3-year debt matures in June 2002 and bears interest at LIBOR + 1.65% (7.03% at October 31, 1999).

Merchandise Mart Refinancing

On September 21, 1999, the Company completed a \$250,000,000 mortgage refinancing of its Merchandise Mart property in Chicago of which \$50,000,000 is further secured by a letter of credit. The new 5-year debt matures in September 2004 and bears interest at LIBOR +1.50%. The initial interest rate on the loan through October 31, 1999 was 6.88%. The letter of credit will be reduced over the term of the loan as cash flow increases. The Company bought an interest rate cap, capping the interest rate in the event that LIBOR increases above 9.25% through the termination date of the agreement in September 2002. Simultaneously with this transaction, the Company sold an interest rate cap to a third party on the same terms as the cap the Company purchased.

Offerings of Preferred Shares and Units

On March 17, 1999, the Company completed the sale of 3 million 8.5% Series B Cumulative Redeemable Preferred Shares, at a price of \$25.00 per share, pursuant to an effective registration statement with net proceeds to the Company of approximately \$72,200,000. Also in March 1999, 400,000 shares were sold when the underwriters exercised their over-allotment option resulting in additional net proceeds to the Company of \$9,700,000. The perpetual preferred shares may be called without penalty at the option of the Company commencing on March 17, 2004.

On May 17, 1999, the Company completed the sale of 4 million 8.5% Series C Cumulative Redeemable Preferred Shares, at a price of \$25.00 per share, pursuant to an effective registration statement with net proceeds to the Company of approximately \$96,900,000. Also in May 1999, 600,000 shares were sold when the underwriters exercised their over-allotment option resulting in additional net proceeds to the Company of \$14,500,000. The perpetual preferred shares may be called without penalty at the option of the Company commencing on May 17, 2004.

On May 27, 1999, the Company sold an aggregate of \$27,500,000 of 8.375% Series D-2 Cumulative Redeemable Preferred Units in the Operating Partnership to an institutional investor in a private placement, resulting in net proceeds of approximately \$27,467,000. The perpetual Preferred Units may be called without penalty at the option of the Operating Partnership commencing on May 27, 2004.

On September 3, 1999, the Company sold an aggregate of \$325,000,000 of 8.25% Series D-3 and D-4 Cumulative Redeemable Preferred Units in the Operating Partnership to institutional investors in private placements, resulting in net proceeds of approximately \$316,400,000. The Perpetual Preferred Units may be called without penalty at the option of the Operating Partnership commencing on September 7, 2004.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

PRO FORMA INFORMATION

The pro forma condensed consolidated operating results for Vornado for the nine months ended September 30, 1999 and 1998 are presented as if the acquisitions described above and those included in Investments and Advances to Partially-Owned Entities and the financings attributable thereto had occurred on January 1, 1998.

Condensed Consolidated Pro Forma Operating Results

	Pro Forma	
	For the Nine Months Ended September 30,	
	1999	1998
(amounts in thousands, except per share amounts)		
Revenues.....	\$ 551,000	\$ 511,500
Net income.....	\$ 146,000	\$ 142,400
Preferred stock dividends.....	(23,800)	(16,300)
Net income applicable to common shares.....	\$ 122,200	\$ 126,100
Net income per common share - basic.....	\$ 1.43	\$ 1.47
Net income per common share - diluted.....	\$ 1.40	\$ 1.44

4. INVESTMENTS AND ADVANCES TO PARTIALLY-OWNED ENTITIES

The Company's investments and advances to partially-owned entities and income recognized from such investments are as follows:

Investments and Advances

	September 30, 1999	December 31, 1998
(amounts in thousands)		
Alexander's.....	\$ 101,211	\$ 104,038
Cold Storage Partnerships.....	464,604	459,172
CESCR.....	317,952	49,151
Hotel Pennsylvania.....	55,125	47,813
Newkirk Joint Ventures.....	119,587	58,665
Mendik Partially-Owned Office Buildings.....	59,383	59,902
Vornado Management Corp., Mendik Management Company, Merchandise Mart Properties, Inc. and other.....	76,542	49,099
	\$ 1,194,404	\$ 827,840

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Income

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
(amounts in thousands)				
Income (loss) applicable to Alexander's....	\$ 1,610	\$ (2,340)	\$ 4,951	\$ 806
Other Partially-owned entities:				
Cold Storage Partnerships.....	\$ 7,466	\$ 5,008	\$ 27,962	\$ 8,172
CESCR.....	5,340	1,054	14,541	3,405
Hotel Pennsylvania.....	830	1,361	3,398	2,750
Newkirk Joint Ventures.....	5,778	1,006	11,087	1,006
Mendik Partially-Owned Office				
Buildings.....	626	959	1,376	2,181
Vornado Management Corp., Mendik Management Company, Merchandise Mart Properties Inc. and other.....	(376)	1,807	2,318	3,357
	\$ 19,664	\$ 11,195	\$ 60,682	\$ 20,871

Alexander's

The Company owned 29.3% of the outstanding shares of common stock of Alexander's as of September 30, 1999. In March 1995, the Company lent Alexander's \$45,000,000. The loan, which was originally scheduled to mature in March 1998, has been renewed for two additional one year periods and currently matures in March 2000. The interest rate was reset in March 1999 from 13.87% per annum to 14.18% per annum. On October 20, 1999, the Company lent an additional \$50,000,000 to Alexander's and on October 21, 1999, the Company increased its ownership percentage in Alexander's - see "Subsequent Events".

Alexander's is managed by and its properties are leased by the Company, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable. Subject to the payments of rents by Alexander's tenants, the Company is due \$2,333,000 under its leasing agreement with Alexander's which amount is included in Investments in and Advances to Alexander's. Included in income from Vornado Management Corp. is management fee income from Alexander's of \$1,057,000 and \$938,000 for the three months ended September 30, 1999 and 1998 and \$3,271,000 and \$2,813,000 for the nine months ended September 30, 1999 and 1998.

Cold Storage Partnerships

In March 1999, the partnerships in which affiliates of the Company have a 60% interest and affiliates of Crescent Real Estate Equities Company have a 40% interest ("Vornado/Crescent Partnerships") sold all of the non-real estate assets of the Cold Storage Partnerships encompassing the operations of the cold storage business for approximately \$48,000,000 to a new partnership owned 60% by Vornado Operating Company ("Vornado Operating") and 40% by Crescent Operating Inc. The new partnership leases the underlying cold storage warehouses used in this business from the Vornado/Crescent Partnerships, which continue to own the real estate. The leases have a 15 year term with two-five year renewal options and provide for the payment of fixed base rent and percentage rent based on customer revenues. The new partnership is required to pay for all costs arising from the operation, maintenance and repair of the properties, as well as property capital expenditures in excess of \$5,000,000 annually. Fixed base rent and percentage rent under the lease terms for the period from March 12, 1999 to September 30, 1999 was approximately \$89,000,000. The new partnership has the right to defer a portion of the rent for up to three years beginning in March 1999 to the extent that available cash, as defined in the leases, is insufficient to pay such rent.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

In October 1998, Vornado Operating was granted a \$75,000,000 unsecured five-year revolving credit facility from Vornado. The balance outstanding under the facility is \$4,587,000 at September 30, 1999. Borrowing under the facility bears interest at LIBOR plus 3% (8.4% at October 25, 1999).

5. 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 \$352,000 and \$184,000 for the three months ended September 30, 1999 and 1998 and \$817,000 and \$956,000 for the nine months ended September 30, 1999 and 1998.

The Mendik Group owns an entity, which provides cleaning and related services and security services to office properties, including the Company's Manhattan office properties. The Company was charged fees in connection with these contracts of \$10,280,000 and \$7,356,000 for the three months ended September 30, 1999 and 1998 and \$29,577,000 and \$18,580,000 for the nine months ended September 30, 1999 and 1998.

6. MINORITY INTEREST

The minority interest represents limited partners', other than Vornado, interests in the Operating Partnership and are comprised of:

Unit Series	Outstanding Units at		Per Unit Liquidation Preference	Preferred or Annual Distribution Rate	Conversion Rate Into Class A Units
	September 30, 1999	December 31, 1998			
Class A.....	6,247,829	1,887,781	--	\$ 1.76	(a)
Class C.....	--	3,534,098	--	\$ 1.69 (b)	1.0 (b)
Class D.....	1,256,908	1,332,596	--	\$ 2.015	1.0 (c)
5.0% B-1 Convertible Preferred.....	899,566	899,566	\$50.00	\$ 2.50	.914
8.0% B-2 Convertible Preferred.....	449,783	449,783	\$50.00	\$ 4.00	.914
6.5% C-1 Convertible Preferred.....	747,912	747,912	\$50.00	\$ 3.25	1.1431
8.5% D-1 Cumulative Redeemable Preferred.....	3,500,000	3,500,000	\$25.00	\$ 2.125	(d)
8.375% D-2 Cumulative Redeemable Preferred.....	549,336	--	\$50.00	\$ 4.1875	(d)
8.25% D-3 Cumulative Redeemable Preferred.....	8,000,000	--	\$25.00	\$ 2.0625	(d)
8.25% D-4 Cumulative Redeemable Preferred.....	5,000,000	--	\$25.00	\$ 2.0625	(d)
6.0% E-1 Convertible Preferred.....	4,998,000	--	\$50.00	\$ 3.00	1.1364

- (a) Class A units are redeemable at the option of the holder for cash or, at Vornado's option, one common share of beneficial interest in Vornado.
- (b) Class C units automatically converted to Class A units in the third quarter of 1999. Prior to conversion, the Class C unit holders had participated in distributions at an annual rate of \$1.69, then pari passu with the Class A units.
- (c) Mandatory conversion of Class D units into Class A units will occur after four consecutive quarters of distributions of at least \$.50375 per Class A unit (\$2.015 annually).
- (d) Redeemable for an equivalent Vornado preferred share.

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

7. COMMITMENTS AND CONTINGENCIES

At September 30, 1999, in addition to the \$382,000,000 balance outstanding under the Company's revolving credit facility, the Company had utilized approximately \$89,050,000 of availability under the facility for letters of credit and guarantees primarily related to pending acquisitions.

There are various legal actions against the Company in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the outcome of such matters will not have a material effect on the Company's financial condition, results of operations or cash flows.

8. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
(amounts in thousands except per share amounts)				
Numerator:				
Net income.....	\$ 55,046	\$ 45,082	\$ 156,000	\$ 112,885
Preferred stock dividends.....	(9,672)	(5,423)	(23,765)	(16,268)
Numerator for basic and diluted earnings per share - net income applicable to common shares.....	\$ 45,374	\$ 39,659	\$ 132,235	\$ 96,617
Denominator:				
Denominator for basic earnings per share - weighted average shares.....	85,936	83,755	85,555	79,407
Effect of dilutive securities:				
Employee stock options.....	1,553	1,673	1,783	2,075
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions.....	87,489	85,428	87,338	81,482
Net income per common share - basic.....	\$.53	\$.47	\$ 1.55	\$ 1.22
Net income per common share - diluted.....	\$.52	\$.46	\$ 1.51	\$ 1.19

9. COMPREHENSIVE INCOME

The following table sets forth the Company's comprehensive income:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
(amounts in thousands)				
Net income applicable to common shares.....	\$ 45,374	\$ 39,659	\$ 132,235	\$ 96,617
Other comprehensive loss.....	(2,623)	(4,893)	(1,270)	(1,589)
Comprehensive income.....	\$ 42,751	\$ 34,766	\$ 130,965	\$ 95,028

VORNADO REALTY TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

10. SEGMENT INFORMATION

The Company has four business segments: Office, Retail, Merchandise Mart Properties and Cold Storage.

(amounts in thousands)

For The Three Months Ended September 30,

	1999					Total
	Office	Retail	Merchandise Mart	Cold Storage	Other (2)	
Total revenues.....	\$100,701	\$43,318	\$ 35,622	\$ --	\$ 3,180	\$182,821
Total expenses.....	61,248	18,161	19,352	--	5,043	103,804
Operating income.....	39,453	25,157	16,270	--	(1,863)	79,017
Income (loss) applicable to Alexander's.....	--	--	--	--	1,610	1,610
Income (loss) from partially-owned entities.....	5,976	217	(703)	7,466	6,708	19,664
Interest and other investment income (loss).....	436	--	199	--	3,587	4,222
Interest and debt expense....	(13,185)	(5,486)	(8,166)	--	(8,248)	(35,085)
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	--	--
Minority interest.....	(6,868)	(4,126)	(1,693)	(1,695)	--	(14,382)
Net income.....	25,812	15,762	5,907	5,771	1,794	55,046
Minority interest.....	6,868	4,126	1,693	1,695	--	14,382
Interest and debt expense(4) .	22,465	6,139	8,166	6,532	15,568	58,870
Depreciation and amortization(4).....	15,513	4,144	4,463	7,591	3,387	35,098
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	--	--
Straight-lining of rents(4) ..	(4,503)	(684)	(1,224)	(544)	(577)	(7,532)
Other.....	(42)	--	--	2,757 (3)	(1,589)	1,126
EBITDA(1).....	\$ 66,113	\$29,487	\$ 19,005	\$ 23,802	\$18,583	\$156,990

(amounts in thousands)

For The Three Months Ended September 30,

	1998					Total
	Office	Retail	Merchandise Mart	Cold Storage	Other (2)	
Total revenues.....	\$68,643	\$40,928	\$ 28,878	\$ --	\$ 2,223	\$ 140,672
Total expenses.....	42,531	16,608	17,606	--	4,847	81,592
Operating income.....	26,112	24,320	11,272	--	(2,624)	59,080
Income (loss) applicable to Alexander's.....	--	--	--	--	(2,340)	(2,340)
Income (loss) from partially-owned entities.....	3,356	--	324	5,008	2,507	11,195
Interest and other investment income (loss).....	924	(40)	29	--	4,317	5,230
Interest and debt expense....	(7,660)	(8,273)	(5,770)	--	(12,331)	(34,034)
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	9,649	9,649
Minority interest.....	(1,690)	(1,168)	(447)	(393)	--	(3,698)
Net income.....	21,042	14,839	5,408	4,615	(822)	45,082
Minority interest.....	1,690	1,168	447	393	--	3,698
Interest and debt expense(4) .	11,867	8,273	5,770	6,601	14,397	46,908
Depreciation and amortization(4).....	10,504	3,751	3,212	9,800	1,653	28,920
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	(9,649)	(9,649)
Straight-lining of rents(4) ..	(1,726)	(937)	(1,375)	--	(341)	(4,379)

Other.....	299	--	--	712 (3)	4,712 (5)	5,723
EBITDA(1).....	\$43,676	\$27,094	\$ 13,462	\$ 22,121	\$ 9,950	\$ 116,303
	=====	=====	=====	=====	=====	=====

 See footnotes 1-5 on page 15.

VORNADO REALTY TRUST
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(CONTINUED)

(amounts in thousands)

For The Nine Months Ended September 30,

	1999					Total
	Office	Retail	Merchandise Mart	Cold Storage	Other (2)	
Total revenues.....	\$275,853	\$127,684	\$102,711	\$ --	\$ 7,059	\$513,307
Total expenses.....	165,045	53,202	56,441	--	19,486	294,174
Operating income.....	110,808	74,482	46,270	--	(12,427)	219,133
Income applicable to Alexander's.....	--	--	--	--	4,951	4,951
Income from partially- owned entities.....	16,000	640	1,201	27,962	14,879	60,682
Interest and other investment income.....	1,292	--	566	--	10,722	12,580
Interest and debt expense.....	(35,444)	(21,603)	(21,331)	--	(27,608)	(105,986)
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	--	--
Minority interest.....	(16,313)	(9,422)	(4,703)	(4,922)	--	(35,360)
Net income.....	76,343	44,097	22,003	23,040	(9,483)	156,000
Minority interest.....	16,313	9,422	4,703	4,922	--	35,360
Interest and debt expense(4).....	59,171	23,568	21,331	20,090	43,747	167,907
Depreciation and amortization(4).....	43,490	12,528	12,641	23,603	7,246	99,508
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	--	--
Straight-lining of rents(4)	(13,118)	(2,001)	(3,504)	(1,171)	(271)	(20,065)
Other.....	(42)	--	--	(252) (3)	1,521	1,227
EBITDA(1).....	\$182,157	\$87,614	\$57,174	\$70,232	\$42,760	\$439,937

September 30, 1999

Balance sheet data:

Real estate, net.....	\$2,163,304	\$575,561	\$739,487	\$--	\$75,942	\$3,554,294
Investments and advances to partially-owned entities.....	385,070	2,436	31,344	464,604	310,950	1,194,404

(amounts in thousands)

For The Nine Months Ended September 30,

	1998					Total
	Office	Retail	Merchandise Mart	Cold Storage	Other (2)	
Total revenues.....	\$172,358	\$123,367	\$57,188	\$ --	\$6,493	\$359,406
Total expenses.....	104,691	50,915	34,058	--	14,947	204,611
Operating income.....	67,667	72,452	23,130	--	(8,454)	154,795
Income applicable to Alexander's.....	--	--	--	--	806	806
Income from partially- owned entities.....	7,228	--	1,272	8,172	4,199	20,871
Interest and other investment income.....	3,868	2,119	350	--	11,730	18,067
Interest and debt expense.....	(16,367)	(24,152)	(12,182)	--	(27,835)	(80,536)
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	9,649	9,649
Minority interest.....	(5,030)	(4,065)	(1,013)	(659)	--	(10,767)

Net income.....	57,366	46,354	11,557	7,513	(9,905)	112,885
Minority interest.....	5,030	4,065	1,013	659	--	10,767
Interest and debt expense(4).....	28,414	24,152	12,182	20,211	32,199	117,158
Depreciation and amortization(4).....	27,725	11,506	6,438	27,619	4,276	77,564
Net gain from insurance settlement and condemnation proceeding.....	--	--	--	--	(9,649)	(9,649)
Straight-lining of rents(4)	(5,223)	(2,591)	(2,658)	--	(863)	(11,335)
Other.....	299	--	--	2,498 (3)	5,561 (5)	8,358
	-----	-----	-----	-----	-----	-----
EBITDA(1).....	\$113,611	\$ 83,486	\$28,532	\$58,500	\$21,619	\$305,748
	=====	=====	=====	=====	=====	=====

December 31, 1998

Balance sheet data:						
Real estate, net.....	\$1,777,919	\$565,723	\$729,485	\$--	\$15,948	\$3,089,075
Investments and advances to partially-owned entities.....	118,337	2,946	26,638	459,172	220,747	827,840

See footnotes 1-5 on the next page.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Notes to segment information:

- (1) EBITDA represents net income before interest, taxes, depreciation and amortization, extraordinary or non-recurring items, gains or losses on sales of real estate, the effect of straight-lining of property rentals for rent escalations and minority interest. Management considers EBITDA a supplemental measure for making decisions and assessing the performance of its segments. EBITDA may not be comparable to similarly titled measures employed by other companies.
- (2) Other includes (i) the operations of the Company's warehouse and industrial properties, (ii) investments in the Hotel Pennsylvania, Alexander's, and Newkirk Joint Ventures, (iii) corporate general and administrative expenses and (iv) unallocated investment income and interest and debt expense.
- (3) Includes (i) the reversal of income taxes (benefit for the nine months ended September 30, 1999) which are considered non-recurring because of the expected conversion of the Cold Storage Companies to REIT's and (ii) the add back of non-recurring unification costs.
- (4) Interest and debt expense, depreciation and amortization and straight-lining of rents included in the reconciliation of net income to EBITDA reflects amounts which are netted in income from partially-owned entities.
- (5) Primarily represents the Company's equity in Alexander's loss for the write-off resulting from the razing of Alexander's building formerly located at its Lexington Avenue site.

11. SUBSEQUENT EVENTS

On October 15, 1999, the Company completed the acquisition of \$15,600,000 of securitized debt from the Newkirk Joint Ventures which has a yield of 14.28%.

On October 20, 1999, the Company lent Alexander's \$50,000,000 on the same terms and conditions as the Company's existing \$45,000,000 loan to Alexander's, including the interest rate of 14.18% and the maturity date of March 15, 2000. In conjunction with the additional loan, Alexander's paid the Company \$11,200,000 (the Company's cost plus \$200,000 in interest and carrying costs) for 112,000 square feet of air rights which the Company had recently entered into contracts to purchase. The Company paid for the air rights at the time it entered into the contracts with closing to take place when the developments which give rise to the air rights are completed in the year 2000.

On October 21, 1999, the Company increased its ownership interest in Alexander's from 29.3% to 32% by acquiring an additional 135,600 shares of Alexander's common stock for approximately \$8,956,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(All of the amounts presented are in thousands, except share amounts and percentages)

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Certain factors could cause actual results to differ materially from those in the forward-looking statements. Factors that might cause such a material difference include, but are not limited to, (a) changes in the general economic climate, (b) local conditions such as an oversupply of space or a reduction in demand for real estate in the area, (c) conditions of tenants, (d) competition from other available space, (e) increased operating costs and interest expense, (f) the timing of and costs associated with property improvements, (g) changes in taxation or zoning laws, (h) government regulations, (i) failure of Vornado to continue to qualify as a REIT, (j) availability of financing on acceptable terms, (k) potential liability under environmental or other laws or regulations, (l) general competitive factors and (m) failure by Vornado, or by other companies with which it does business, to remediate possible Year 2000 problems in computer software or embedded technology.

OVERVIEW

The Company's net income was \$55,046 in the three months ended September 30, 1999, as compared to \$45,082 in the prior year's quarter, an increase of \$9,964. The Company's net income was \$156,000 in the nine months ended September 30, 1999, as compared to \$112,885 in the prior year's nine months, an increase of \$43,115. EBITDA, as defined, (1) was \$156,990 in the three months ended September 30, 1999, as compared to \$116,303 in the prior year's quarter, an increase of \$40,687. EBITDA was \$439,937 in the nine months ended September 30, 1999 as compared to \$305,748 in the prior year's nine months, an increase of \$134,189.

Below is a summary of net income and EBITDA by segment for the three and nine months ended September 30, 1999 and 1998:

For The Three Months Ended September 30, 1999						
	Total	Office	Retail	Merchandise Mart	Cold Storage	Other (2)
Total revenues	\$ 182,821	\$ 100,701	\$ 43,318	\$ 35,622	\$ --	\$ 3,180
Total expenses	103,804	61,248	18,161	19,352	--	5,043
Operating income	79,017	39,453	25,157	16,270	--	(1,863)
Income (loss) applicable to Alexander's	1,610	--	--	--	--	1,610
Income (loss) from partially-owned entities ..	19,664	5,976	217	(703)	7,466	6,708
Interest and other investment income (loss)	4,222	436	--	199	--	3,587
Interest and debt expense ...	(35,085)	(13,185)	(5,486)	(8,166)	--	(8,248)
Minority interest	(14,382)	(6,868)	(4,126)	(1,693)	(1,695)	--
Net income	55,046	25,812	15,762	5,907	5,771	1,794
Minority interest	14,382	6,868	4,126	1,693	1,695	--
Interest and debt expense (4)	58,870	22,465	6,139	8,166	6,532	15,568
Depreciation and amortization (4)..	35,098	15,513	4,144	4,463	7,591	3,387
Straight-lining of rents (4)	(7,532)	(4,503)	(684)	(1,224)	(544)	(577)
Other	1,126	(42)	--	--	2,757 (3)	(1,589)
EBITDA.....	\$ 156,990	\$ 66,113	\$ 29,487	\$ 19,005	\$ 23,802	\$ 18,583

For The Three Months Ended September 30, 1998						
	Total	Office	Retail	Merchandise Mart	Cold Storage	Other (2)
Total revenues	\$ 140,672	\$ 68,643	\$ 40,928	\$ 28,878	\$ --	\$ 2,223
Total expenses	81,592	42,531	16,608	17,606	--	4,847
Operating income	59,080	26,112	24,320	11,272	--	(2,624)
Income (loss) applicable to Alexander's	(2,340)	--	--	--	--	(2,340)
Income (loss) from partially-owned entities ...	11,195	3,356	--	324	5,008	2,507
Interest and other investment income (loss)	5,230	924	(40)	29	--	4,317
Interest and debt expense	(34,034)	(7,660)	(8,273)	(5,770)	--	(12,331)
Net gain from insurance settlement and condemnation proceeding..	9,649	--	--	--	--	9,649
Minority interest	(3,698)	(1,690)	(1,168)	(447)	(393)	--
Net income	45,082	21,042	14,839	5,408	4,615	(822)
Minority interest	3,698	1,690	1,168	447	393	--
Interest and debt expense (4)	46,908	11,867	8,273	5,770	6,601	14,397
Depreciation and amortization (4)	28,920	10,504	3,751	3,212	9,800	1,653
Net gain from insurance settlement and condemnation proceeding..	(9,649)	--	--	--	--	(9,649)
Straight-lining of rents (4)...	(4,379)	(1,726)	(937)	(1,375)	--	(341)
Other	5,723	299	--	--	712 (3)	4,712 (5)
EBITDA	\$ 116,303	\$ 43,676	\$ 27,094	\$ 13,462	\$ 22,121	\$ 9,950

Footnotes 1-5 are explained on the following page.

For The Nine Months Ended September 30, 1999

	Total	Office	Retail	Merchandise Mart	Cold Storage	Other (2)
Total revenues.....	\$ 513,307	\$275,853	\$127,684	\$ 102,711	\$ --	\$ 7,059
Total expenses.....	294,174	165,045	53,202	56,441	--	19,486
Operating income.....	219,133	110,808	74,482	46,270	--	(12,427)
Income applicable to Alexander's...	4,951	--	--	--	--	4,951
Income from partially-owned entities.....	60,682	16,000	640	1,201	27,962	14,879
Interest and other investment income.....	12,580	1,292	--	566	--	10,722
Interest and debt expense.....	(105,986)	(35,444)	(21,603)	(21,331)	--	(27,608)
Minority interest.....	(35,360)	(16,313)	(9,422)	(4,703)	(4,922)	--
Net income.....	156,000	76,343	44,097	22,003	23,040	(9,483)
Minority interest.....	35,360	16,313	9,422	4,703	4,922	--
Interest and debt expense (4).....	167,907	59,171	23,568	21,331	20,090	43,747
Depreciation and amortization (4)...	99,508	43,490	12,528	12,641	23,603	7,246
Straight-lining of rents (4).....	(20,065)	(13,118)	(2,001)	(3,504)	(1,171)	(271)
Other.....	1,227	(42)	--	--	(252) (3)	1,521
EBITDA.....	\$ 439,937	\$182,157	\$ 87,614	\$57,174	\$ 70,232	\$ 42,760

For The Nine Months Ended September 30, 1998

	Total	Office	Retail	Merchandise Mart	Cold Storage	Other (2)
Total revenues.....	\$ 359,406	172,358	\$ 123,367	\$ 57,188	\$--	\$ 6,493
Total expenses.....	204,611	104,691	50,915	34,058	--	14,947
Operating income.....	154,795	67,667	72,452	23,130	--	(8,454)
Income applicable to Alexander's...	806	--	--	--	--	806
Income from partially-owned entities.....	20,871	7,228	--	1,272	8,172	4,199
Interest and other investment income.....	18,067	3,868	2,119	350	--	11,730
Interest and debt expense.....	(80,536)	(16,367)	(24,152)	(12,182)	--	(27,835)
Net gain from insurance settlement and condemnation proceeding.....	9,649	--	--	--	--	9,649
Minority interest	(10,767)	(5,030)	(4,065)	(1,013)	(659)	--
Net income	112,885	57,366	46,354	11,557	7,513	(9,905)
Minority interest	10,767	5,030	4,065	1,013	659	--
Interest and debt expense (4).....	117,158	28,414	24,152	12,182	20,211	32,199
Depreciation and amortization (4)...	77,564	27,725	11,506	6,438	27,619	4,276
Net gain from insurance settlement and condemnation proceeding.....	(9,649)	--	--	--	--	(9,649)
Straight-lining of rents (4).....	(11,335)	(5,223)	(2,591)	(2,658)	--	(863)
Other.....	8,358	299	--	--	2,498 (3)	5,561 (5)
EBITDA.....	\$ 305,748	\$ 113,611	\$ 83,486	\$ 28,532	\$ 58,500	\$ 21,619

(1) EBITDA represents net income before interest, taxes, depreciation and amortization, extraordinary or non-recurring items, gains or losses on sales of real estate, the effect of straight-lining of property rentals for rent escalations and minority interest. Management considers EBITDA a supplemental measure for making decisions and assessing the performance of its segments. EBITDA may not be comparable to similarly titled measures employed by other companies.

(2) Other includes (i) the operations of the Company's warehouse and industrial properties, (ii) investments in the Hotel Pennsylvania, Alexander's, and Newkirk Joint Ventures, (iii) corporate general and administrative expenses and (iv) unallocated investment income and interest and debt expense.

(3) Includes (i) the reversal of income taxes (benefit for the nine months ended September 30, 1999) which are considered non-recurring because of the expected conversion of the Cold Storage Companies to REIT's and (ii) the add back of non-recurring unification costs.

(4) Interest and debt expense, depreciation and amortization and straight-lining of rents included in the reconciliation of net income to EBITDA reflects amounts which are netted in income from partially-owned entities.

(5) Primarily represents the Company's equity in Alexander's loss for the write-off resulting from the razing of Alexander's building formerly located at its Lexington Avenue site.

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999 AND SEPTEMBER 30, 1998

Below are the details of the changes by segment in EBITDA. The change in Cold Storage EBITDA is discussed in Income from partially-owned entities.

	Total	Office	Retail	Merchandise Mart	Cold Storage (2)	Other
	-----	-----	-----	-----	-----	-----
Three months ended						
September 30, 1998.....	\$ 116,303	\$ 43,676	\$ 27,094	\$ 13,462	\$ 22,121	\$ 9,950
1999 Operations:						
Same store operations(1).....	8,806	4,759	1,226	2,704	N/A	117
Acquisitions and other.....	31,881	17,678	1,167	2,839	391	8,516
	-----	-----	-----	-----	-----	-----
Three months ended						
September 30, 1999.....	\$156,990	\$ 66,113	\$29,487	\$ 19,005	\$ 23,802	\$ 18,583
	=====	=====	=====	=====	=====	=====
% increase in same						
store operations.....	9.3%	10.9%	4.5%	20.0%	N/A(2)	1.2%

(1) Represents operations, which were owned for the same period in each year.

(2) Not comparable because prior to March 12, 1999 (date the operations of the Cold Storage Partnerships were sold - see Note 4), the Company reflected its equity in the operations of the Cold Storage Partnerships. Subsequent thereto, the Company reflects its equity in the rent it receives from the Cold Storage Partnerships.

Revenues

The Company's revenues, which consist of property rentals, tenant expense reimbursements and other income were \$182,821 in the three months ended September 30, 1999, compared to \$140,672 in the prior year's quarter, an increase of \$42,149. This increase by segment resulted from:

	Date of Acquisition -----	Total -----	Office -----	Retail -----	Merchandise Mart -----	Other -----
Property Rentals:						
Acquisitions:						
595 Madison Avenue.....	September 1999	\$ 611	\$ 611	\$ --	\$ --	\$ --
Hotel Pennsylvania (20%) ...	August 1999	1,433	--	--	--	1,433
909 Third Avenue	July 1999	5,052	5,052	--	--	--
888 Seventh Avenue.....	January 1999	5,152	5,152	--	--	--
Market Square Complex	December 1998	3,221	--	--	3,221	--
Mendik RELP Properties	December 1998	7,483	7,483	--	--	--
20 Broad Street	August 1998	2,668	2,668	--	--	--
689 Fifth Avenue.....	August 1998	430	430	--	--	--
		26,050	21,396	--	3,221	1,433
Leasing activity, including						
\$435 of step-ups						
in Retail.....		9,351	7,039	676	1,594	42
		-----	-----	-----	-----	-----
Total increase in property		35,401	28,435	676	4,815	1,475
rentals.....		-----	-----	-----	-----	-----
Tenant expense reimbursements:						
Increase in tenant expense						
reimbursements due to						
acquisitions.....		3,343	2,531	--	812	--
Other.....		1,288	(742)	1,280	829	(79)
		-----	-----	-----	-----	-----
Total increase in tenant		4,631	1,789	1,280	1,641	(79)
expense reimbursements.....		-----	-----	-----	-----	-----
Other income.....		2,117	1,835	102	288	(108)
		-----	-----	-----	-----	-----
Total increase in revenues.....		\$ 42,149	\$ 32,059	\$2,058	\$ 6,744	\$1,288
		=====	=====	=====	=====	=====

Expenses

The Company's expenses were \$103,804 in the three months ended September 30, 1999 compared to \$81,592 in the prior year's quarter, an increase of \$22,212. This increase by segment resulted from:

	Total	Office	Retail	Merchandise Mart	Other
	-----	-----	-----	-----	-----
Operating:					
Acquisitions	\$ 15,027	\$13,488	\$ --	\$ 946	\$ 593
Same store operations	1,010	815	1,452	(1,209)	(48)
	-----	-----	-----	-----	-----
	16,037	14,303	1,452	(263)	545
	-----	-----	-----	-----	-----
Depreciation and amortization:					
Acquisitions	3,326	2,457	--	644	225
Same store operations	1,902	1,263	97	607	(65)
	-----	-----	-----	-----	-----
	5,228	3,720	97	1,251	160
	-----	-----	-----	-----	-----
General and Administrative:					
Corporate expenses(2)	3,833	694	4	758	2,377(1)
Reduction in value of Vornado shares and other securities held in officer's deferred compensation trust	(2,886)	--	--	--	(2,886)
	-----	-----	-----	-----	-----
	947	694	4	758	(509)
	-----	-----	-----	-----	-----
	\$ 22,212	\$18,717	\$ 1,553	\$ 1,746	\$ 196
	=====	=====	=====	=====	=====

(1) Retail general and administrative expenses are included in corporate expenses, which are not allocated.

(2) Of this increase: (i) \$596 is attributable to acquisitions, (ii) \$2,752 resulted from payroll, primarily for additional employees, and corporate office expenses, and (iii) \$485 resulted from professional fees.

Income applicable to Alexander's (loan interest income, equity in income and depreciation) was \$1,610 in the three months ended September 30, 1999, compared to a loss of \$2,340 in the prior year's quarter, an increase of \$3,950. This increase resulted primarily from the Company's equity in Alexander's loss in 1998 of \$4,423. Alexander's loss included the write-off resulting from the razing of its building formerly located at its Lexington Avenue site.

Income from partially-owned entities was \$19,664 in the three months ended September 30, 1999, compared to \$11,195 in the prior year's quarter, a net increase of \$8,469. This net increase by segment resulted from:

	Date of Acquisition	Total	Office	Retail	Merchandise Mart	Cold Storage	Other
	-----	-----	-----	-----	-----	-----	-----
Acquisitions:							
CESCR.....	March 1999	\$ 4,286	\$ 4,286	\$ --	\$ --	\$ --	\$ --
Newkirk Joint Ventures....	March 1999	4,778	--	--	--	--	4,778
Las Catalinas.....	November 1998	217	--	217	--	--	--
		-----	-----	-----	-----	-----	-----
		9,281	4,286	217	--	--	4,778
Increase (decrease) in equity in income:							
Cold Storage.....		2,291	--	--	--	2,291(1)	--
Hotel Pennsylvania.....		(531)	--	--	--	--	(531)(2)
Mendik partially-owned office buildings.....		(333)	(333)(2)	--	--	--	--
Other.....		(2,239)	(1,333)	--	(1,027)	167	(46)
		-----	-----	-----	-----	-----	-----
		\$ 8,469	\$ 2,620	\$217	\$ (1,027)	\$ 2,458	\$ 4,201
		=====	=====	=====	=====	=====	=====

(1) Primarily reflects equity interest in lease payments in 1999 in excess of equity in the operations of such companies in 1998.

(2) Reflects the elimination of the Company's equity in income of Two Park Avenue as of November 1998 and the commercial portion of the Hotel Pennsylvania as of August 1999, both of which became wholly-owned and accordingly consolidated.

Interest and other investment income (interest income on mortgage loans receivable, other interest income, dividend income and net gains on marketable securities) was \$4,222 for the three months ended September 30, 1999, compared to \$5,230 in the prior year's quarter, a decrease of \$1,008. This decrease resulted primarily from lower average investments this year.

Interest and debt expense was \$35,085 for the three months ended September 30, 1999, compared to \$34,034 in the prior year's quarter, an increase of \$1,051. This increase resulted primarily from debt in connection with acquisitions.

Minority interest was \$14,382 for the three months ended September 30, 1999, compared to \$3,698 in the prior year's quarter, an increase of \$10,684. Of this increase \$9,032 is due to acquisitions and \$1,652 results from higher income.

Preferred stock dividends were \$9,672 for the three months ended September 30, 1999, compared to \$5,423 in the prior year's quarter, an increase of \$4,249. This increase resulted from the issuance of the Company's Series B Cumulative Redeemable Preferred shares in March 1999 and Series C Cumulative Redeemable Preferred Shares in May 1999.

NINE MONTHS ENDED SEPTEMBER 30, 1999 AND SEPTEMBER 30, 1998

Below are the details of the changes by segment in EBITDA. The change in Cold Storage EBITDA is discussed in Income from partially-owned entities.

	Total	Office	Retail	Merchandise Mart	Cold Storage (2)	Other
	-----	-----	-----	-----	-----	-----
Nine months ended September 30, 1998.	\$ 305,748	\$ 113,611	\$ 83,486	\$ 28,532	\$ 58,500	\$ 21,619
1999 Operations:						
Same store operations(1)	19,002	12,955	3,293	3,460	N/A	(706)
Acquisitions and other.	115,187	55,591	835	25,182	9,860	21,847
	-----	-----	-----	-----	-----	-----
Nine months ended September 30, 1999.	\$ 439,937	\$ 182,157	\$ 87,614	\$ 57,174	\$ 70,232	\$ 42,760
	=====	=====	=====	=====	=====	=====
% increase in same store operations.	7.7%	11.4%	3.9%	12.1%	N/A(2)	(3.3%)

(1) Represents operations which were owned for the same period in each year.

(2) Not comparable because prior to March 12, 1999 (date the operations of the Cold Storage Partnerships were sold - see Note 4), the Company reflected its equity in the operations of the Cold Storage Partnerships. Subsequent thereto, the Company reflects its equity in the rent it receives from the Cold Storage Partnerships.

Revenues

The Company's revenues, which consist of property rentals, tenant expense reimbursements and other income were \$513,307 in the nine months ended September 30, 1999, compared to \$359,406 in the prior year's nine months, an increase of \$153,901. This increase by segment resulted from:

	Date of Acquisition	Total	Office	Retail	Merchandise Mart	Other
Property Rentals:						
Acquisitions:						
595 Madison Avenue	September 1999	\$ 611	\$ 611	\$ --	\$ --	\$ --
Hotel Pennsylvania (20%)	August 1999	1,433	--	--	--	1,433
909 Third Avenue	July 1999	5,052	5,052	--	--	--
888 Seventh Avenue	January 1999	16,516	16,516	--	--	--
Market Square Complex	December 1998	10,611	--	--	10,611	--
Mendik RELP Properties	December 1998	21,647	21,647	--	--	--
20 Broad Street	August 1998	8,112	8,112	--	--	--
689 Fifth Avenue	August 1998	2,152	2,152	--	--	--
770 Broadway	July 1998	5,747	5,747	--	--	--
40 Fulton Street	June 1998	2,605	2,605	--	--	--
Merchandise Mart						
Properties	April 1998	27,227	--	--	27,227	--
150 East 58th Street	March 1998	2,403	2,403	--	--	--
One Penn Plaza	February 1998	5,478	5,478	--	--	--
Westport	January 1998	274	274	--	--	--
		109,868	70,597	--	37,838	1,433
Leasing activity, including						
\$1,059 of step-ups in Retail		24,423	20,776	1,348	2,694	(395)
Total increase in property rentals		134,291	91,373	1,348	40,532	1,038
Tenant expense reimbursements:						
Increase in tenant expense						
reimbursements due to						
acquisitions		9,670	6,272	--	3,398	--
Other		4,042	427	2,965	792	(142)
Total increase in tenant expense reimbursements		13,712	6,699	2,965	4,190	(142)
Other income		5,898	5,424	(328)	801	1
Total increase in revenues		\$ 153,901	\$ 103,496	\$3,985	\$45,523	\$ 897

Expenses

The Company's expenses were \$294,174 in the nine months ended September 30, 1999 compared to \$204,611 in the prior year's nine months, an increase of \$89,563. This increase by segment resulted from:

	Total	Office	Retail	Merchandise Mart	Other
	-----	-----	-----	-----	-----
Operating:					
Acquisitions	\$ 54,475	\$ 38,947	\$ --	\$ 14,935	\$ 593
Same store operations	7,651	6,698	2,148	(1,295)	100
	-----	-----	-----	-----	-----
	62,126	45,645	2,148	13,640	693
	-----	-----	-----	-----	-----
Depreciation and amortization:					
Acquisitions	13,926	8,336	--	5,365	225
Same store operations	4,784	3,952	133	838	(139)
	-----	-----	-----	-----	-----
	18,710	12,288	133	6,203	86
	-----	-----	-----	-----	-----
General and Administrative:					
Corporate expenses (2)	10,846	2,421	6	2,540	5,879 (1)
Reduction in value of Vornado shares and other securities held in officer's deferred compensation trust	(2,119)	--	--	--	(2,119)
	-----	-----	-----	-----	-----
	8,727	2,421	6	2,540	3,760
	-----	-----	-----	-----	-----
	\$ 89,563	\$ 60,354	\$ 2,287	\$ 22,383	\$ 4,539
	=====	=====	=====	=====	=====

- (1) Retail general and administrative expenses are included in corporate expenses which are not allocated.
- (2) Of this increase: (i) \$2,802 is attributable to acquisitions, (ii) \$5,906 resulted from payroll, primarily for additional employees, and corporate office expenses, and (iii) \$2,138 resulted from professional fees.

Income applicable to Alexander's (loan interest income, equity in income and depreciation) was \$4,951 in the nine months ended September 30, 1999, compared to \$806 in the prior year's nine months, an increase of \$4,145. This increase resulted primarily from the Company's equity in Alexander's loss in 1998 of \$4,423. Alexander's loss included the write-off resulting from the razing of its building formerly located at its Lexington Avenue site.

Income from partially-owned entities was \$60,682 in the nine months ended September 30, 1999, compared to \$20,871 in the prior year's nine months, a net increase of \$39,811. This net increase by segment resulted from:

	Date of Acquisition	Total	Office	Retail
	-----	-----	-----	-----
Acquisitions:				
CESCR.....	March 1999	\$11,136	\$11,136	\$ --
Newkirk Joint Ventures.....	July 98/Mar. 99	10,087	--	--
Las Catalinas.....	November 1998	640	--	640
Cold Storage.....	June/July 1998	7,628	--	--
Merchandise Mart Management Company.....	April 1998	956	--	--
		-----	-----	-----
		30,447	11,136	640
Increase (decrease) in equity in income:				
Cold Storage.....		11,660	--	--
Hotel Pennsylvania.....		648	--	--
Mendik partially-owned office buildings.....		(905)	(905) (2)	--
Other.....		(2,039)	(1,459)	--
		-----	-----	-----
		\$39,811	\$ 8,772	\$640
		=====	=====	=====

	Merchandise Mart	Cold Storage	Other
	-----	-----	-----
Acquisitions:			
CESCR.....	\$ --	\$ --	\$ --
Newkirk Joint Ventures.....	--	--	10,087
Las Catalinas.....	--	--	--
Cold Storage.....	--	7,628	--
Merchandise Mart Management Company.....	956	--	--
	-----	-----	-----
	956	7,628	10,087
Increase (decrease) in equity in income:			
Cold Storage.....	--	11,660 (1)	--
Hotel Pennsylvania.....	--	--	648
Mendik partially-owned office buildings.....	--	--	--
Other.....	(1,027)	502	(55)
	-----	-----	-----
	\$ (71)	\$19,790	\$10,680
	=====	=====	=====

(1) Primarily reflects equity interest in lease payments (March 12, 1999-September 30, 1999) and equity interest in the operations (January 1, 1999-March 12, 1999) for 1999 in excess of equity in the operations of such companies in 1998.

(2) Reflects the elimination of the Company's equity in income of Two Park Avenue which is wholly-owned as of November 17, 1998 and accordingly is consolidated in 1999.

Interest and other investment income (interest income on mortgage loans receivable, other interest income, dividend income and net gains on marketable securities) was \$12,580 for the nine months ended September 30, 1999, compared to \$18,067 in the prior year's nine months, a decrease of \$5,487. This decrease resulted primarily from lower average investments this year.

Interest and debt expense was \$105,986 for the nine months ended September 30, 1999, compared to \$80,536 in the prior year's nine months, an increase of \$25,450. This increase resulted primarily from debt in connection with acquisitions.

Minority interest was \$35,360 for the nine months ended September 30, 1999, compared to \$10,767 in the prior year's nine months, an increase of \$24,593. Of this increase \$18,889 is due to acquisitions and \$5,704 results from higher income.

Preferred stock dividends were \$23,765 for the nine months ended September 30, 1999, compared to \$16,268 in the prior year's nine months, an increase of \$7,497. This increase resulted from the issuance of the Company's Series B Cumulative Redeemable Preferred shares in March 1999 and Series C Cumulative Redeemable Preferred Shares in May 1999.

SUPPLEMENTAL INFORMATION

The following table sets forth certain information for the properties the Company owns directly or indirectly:

	Office			Merchandise Mart		Cold Storage	
	-----			-----		-----	
	New York City	CESCR	Retail	Office(1)	Showroom(1)	Owned	Managed
(square feet and cubic feet in thousands)							
As of September 30, 1999:							
Square feet	14,115	3,620	12,133	2,322	4,473	16,998	2,772
Cubic feet	--	--	--	--	--	428,400	86,150
Number of properties	23	38	59	7	7	89	14
Occupancy rate	94%	98%	91%	95%	96%	95%	95%
As of June 30, 1999:							
Square feet	12,479	3,620	12,133	2,322	4,457	16,687	2,670
Cubic feet	--	--	--	--	--	423,100	83,200
Number of properties	21	38	59	7	7	87	13
Occupancy rate	92%	98%	93%	95%	96%	92%	92%
As of December 31, 1998:							
Square feet	12,437	914	12,133	2,274	4,377	18,887	2,574
Cubic feet	--	--	--	--	--	449,900	80,200
Number of properties	20	38	59	7	7	88	13
Occupancy rate	91%	98%	92%	95%	95%	90%	90%
As of September 30, 1998:							
Square feet	10,106	905	11,955	2,221	3,189	18,887	2,574
Cubic feet	--	--	--	--	--	449,900	80,200
Number of properties	18	25	59	5	5	88	13
Occupancy rate	91%	97%	93%	93%	90%	90%	90%

(1) The office and showroom space is contained in the same mixed-use properties.

LIQUIDITY AND CAPITAL RESOURCES

Nine Months Ended September 30, 1999

Cash flows provided by operating activities of \$127,833 was primarily comprised of (i) net income of \$156,000 and (ii) adjustments for non-cash items of \$18,438, offset by (iii) the net change in operating assets and liabilities of \$46,605 (primarily prepaid expenses). The adjustments for non-cash items are primarily comprised of (i) depreciation and amortization of \$60,315 and (ii) minority interest of \$35,360, partially offset by (iii) the effect of straight-lining of rental income of \$23,387 and (iv) equity in net income of partially-owned entities in excess of distributions of \$48,517.

Net cash used in investing activities of \$338,239 was primarily comprised of (i) capital expenditures of \$113,945 (see detail below), (ii) investment in notes and mortgages receivable of \$53,380 (including \$41,200 loan to CAPI and \$18,587 loan to Vornado Operating Company), (iii) acquisitions of real estate of \$182,400 (see detail below) and (iv) investments in partially-owned entities of \$35,845 (see detail below), partially offset by (v) the use of cash restricted for tenant improvements of \$25,785, (vi) proceeds from the sale of Cold Storage assets of \$22,769 and (vii) proceeds from the repayment of mortgage loans receivable of \$14,000 (Vornado Operating Company).

Acquisitions of real estate and investments in partially-owned entities are comprised of:

	Cash	Debt Assumed	Value of Units Issued	Assets Acquired
	-----	-----	-----	-----
Real Estate:				
595 Madison Avenue Office Building.....	\$ 125,000	\$ --	\$ --	\$ 125,000
909 Third Avenue Office Building.....	12,400	109,000	1,600	123,000
888 Seventh Avenue Office Building.....	45,000	55,000	--	100,000
	-----	-----	-----	-----
	\$ 182,400	\$ 164,000	\$ 1,600	\$ 348,000
	=====	=====	=====	=====
Investments in Partially Owned Entities:				
Charles E. Smith Commercial Realty L.P.:				
Additional investment.....	\$ --	\$ --	\$ 242,000	\$ 242,000
Reacquired units from Vornado Operating Company.....	13,200	--	--	13,200
Crystal City hotel land.....	--	--	8,000	8,000
Additional investment in Newkirk Joint Ventures...	4,645	--	47,790	52,435
Additional 20% investment in Hotel Pennsylvania...	18,000	24,000	--	42,000
	-----	-----	-----	-----
	\$ 35,845	\$ 24,000	\$ 297,790	\$ 357,635
	=====	=====	=====	=====

Capital expenditures were comprised of:

	New York City Office	Retail	Merchandise Mart	Other	Total
	-----	-----	-----	-----	-----
Expenditures to maintain the assets.....	\$ 8,564	\$ 984	\$ 5,433	\$ 4,912	\$ 19,893
Tenant allowances.....	14,604	953	11,294	--	26,851
Redevelopment expenditures.....	43,854	17,745	5,602	--	67,201
	-----	-----	-----	-----	-----
	\$ 67,022	\$19,682	\$ 22,329	\$ 4,912	\$113,945
	=====	=====	=====	=====	=====

Net cash provided by financing activities of \$183,350 was primarily comprised of (i) repayments of borrowings of \$394,975, (ii) dividends paid on common shares of \$112,390, (iii) dividends paid on preferred shares of \$21,608, and (iv) distributions to minority partners of \$23,491 partially offset by, (v) proceeds from issuance of preferred shares of \$193,282, (vi) proceeds from issuance of units of \$343,155 and (vii) proceeds from borrowings of \$205,000.

Nine Months Ended September 30, 1998

Cash flows provided by operating activities of \$99,885 was primarily comprised of (i) income of \$103,236 (net income of \$112,885 less net gain from insurance settlement and condemnation proceeding of \$9,649) and (ii) adjustments for non-cash items of \$25,937, offset by (iii) the net change in operating assets and liabilities of \$29,288. The adjustments for non-cash items are primarily comprised of (i) depreciation and amortization of \$41,605 and (ii) minority interest of \$10,767, partially offset by (iii) the effect of straight-lining of rental income of \$14,977 and (iv) equity in net income of partially-owned entities in excess of distributions of \$9,122. The net change in operating assets and liabilities reflects an increase in prepaid real estate taxes of \$15,792.

Net cash used in investing activities of \$1,182,182 was primarily comprised of (i) acquisitions of real estate of \$855,800 (see detail below), (ii) investments in partially-owned entities of \$308,000 (see detail below), (iii) capital expenditures of \$67,392 and investments in securities of \$73,773 (including \$48,500 purchase of Capital Trust Preferred Stock), partially offset by (v) proceeds from the repayment of mortgage loans receivable of \$67,663. Acquisitions of real estate and investments in partially-owned entities are comprised of:

	Cash	Debt Assumed	Value of Units Issued	Total Consideration
	-----	-----	-----	-----
Real Estate:				
Merchandise Mart Properties.....	\$ 187,000	\$ 327,000 (1)	\$ 116,000	\$ 630,000
One Penn Plaza Office Building.....	317,000	93,000	--	410,000
770 Broadway Office Building.....	131,000	--	18,000	149,000
150 East 58th Street Office Building.....	118,000	--	--	118,000
40 Fulton Street Office Building.....	54,000	--	--	54,000
689 Fifth Avenue Office Building.....	33,000	--	--	33,000
Other.....	15,800	--	--	15,800
	-----	-----	-----	-----
	\$ 855,800	\$ 420,000	\$ 134,000	\$1,409,800
	=====	=====	=====	=====
Investments in Partially Owned Entities:				
Hotel Pennsylvania (acquisition of additional 40% interest increasing ownership to 80%).....	\$ 22,000	\$ 48,000	\$ --	\$ 70,000
570 Lexington Avenue Office Building (increased interest from 5.6% to approximately 50%).....	32,300	4,900	--	37,200
Acquisition of Freezer Services, Inc. (60% interest).....	58,000	16,000	6,000	80,000
Reduction in Cold Storage Partnerships debt (60% interest).....	44,000	--	--	44,000
Acquisition of Carmar Group (60% interest).....	86,400	8,400	--	94,800
Investment in Newkirk Joint Ventures.....	56,000	--	--	56,000
Other.....	9,300	--	--	9,300
	-----	-----	-----	-----
	\$ 308,000	\$ 77,300	\$ 6,000	\$ 391,300
	=====	=====	=====	=====

(1) Reflects July 1998 repayment of \$26,000 of debt.

Net cash provided by financing activities of \$867,196 was primarily comprised of (i) proceeds from borrowings of \$1,423,953 and (ii) proceeds from the issuance of common shares of \$445,282 partially offset by (iii) repayment of borrowings of \$883,043, (iv) dividends paid on common shares of \$94,430 and (v) dividends paid on preferred shares of \$16,268.

Funds from Operations for the Three and Nine Months Ended September 30, 1999 and 1998

Funds from operations was \$76,462 in the three months ended September 30, 1999, compared to \$58,608 in the prior year's quarter, an increase of \$17,854. Funds from operations was \$216,876 in the nine months ended September 30, 1999, compared to \$157,789 in the prior year's nine months, an increase of \$59,087. The following table reconciles funds from operations and net income:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
Net income applicable to common shares.....	\$ 45,374	\$ 39,659	\$ 132,235	\$ 96,617
Depreciation and amortization of real property.....	21,623	15,969	59,320	41,002
Straight-lining of property rentals for rent escalations.....	(6,467)	(3,804)	(18,317)	(10,218)
Leasing fees received in excess of income recognized.....	727	310	1,528	1,047
Proportionate share of adjustments to equity in net income of partially-owned entities to arrive at funds from operations.....	15,605	17,315	38,110	41,691
Reduction in value of Vornado shares held in officer's deferred compensation trust...	(2,007)	--	(340)	--
Gain on sale of securities available for sale.....	--	--	(383)	--
Net gain from insurance settlement and condemnation proceeding.....	--	(9,649)	--	(9,649)
Minority interest in excess of preferential distributions.....	(3,815)	(1,192)	(6,122)	(2,701)
	71,040	58,608	206,031	157,789
Dilutive effect of Series A preferred shares	5,422	--	10,845	--
Funds from Operations-diluted.....	\$ 76,462	\$ 58,608	\$ 216,876	\$ 157,789

The number of shares that should be used for determining funds from operations per share is as follows:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
Weighted average shares.....	85,936	83,755	85,555	79,407
Effect of dilutive securities:				
Employee stock options.....	1,553	1,673	1,783	2,075
Series A preferred shares.....	8,018	--	5,345	--
Denominator for diluted funds from operations per share - adjusted weighted average shares and assumed conversions.....	95,507	85,428	92,683	81,482

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 reported by other REITs since a number of REITs, including the Company, calculate funds from operations in a manner different from that used by the National Association of Real Estate Investment Trusts ("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. Below are the cash flows provided by (used in) operating, investing and financing activities:

	For The Three Months Ended September 30,		For The Nine Months Ended September 30,	
	1999	1998	1999	1998
Operating activities.....	\$ 41,037	\$ 17,674	\$ 127,833	\$ 99,885
Investing activities.....	\$ (195,919)	\$ (202,501)	\$ (338,239)	\$ (1,182,182)
Financing activities.....	\$ 234,120	\$ 68,096	\$ 183,350	\$ 867,196

Financings

On February 18, 1999, the Company completed a \$165,000 refinancing of its Two Penn Plaza office building and prepaid the then existing \$80,000 debt on the property. The new 5-year debt matures in February 2004 and bears interest at 7.08%.

On July 8, 1999, the Company completed a \$70,000 mortgage financing of its 350 North Orleans property in Chicago. The Company received proceeds of \$40,000 and is expected to receive the remaining \$30,000 during the next year upon meeting certain debt service coverage requirements. The new 3-year debt matures in June 2002 and bears interest at LIBOR + 1.65% (7.03% at October 31, 1999).

On September 21, 1999, the Company completed a \$250,000 mortgage refinancing of its Merchandise Mart property in Chicago of which \$50,000 is further secured by a letter of credit. The new 5-year debt matures in September 2004 and bears interest at LIBOR + 1.50%. The initial interest rate on the loan through October 31, 1999 was 6.88%. The letter of credit will be reduced over the term of the loan as cash flow increases. The Company bought an interest rate cap, capping the interest rate in the event that LIBOR increases above 9.25% through the termination date of the agreement in September 2002. Simultaneously with this transaction, the Company sold an interest rate cap to a third party on the same terms as the cap the Company purchased.

Offerings of Preferred Shares and units

On March 17, 1999, the Company completed the sale of 3 million 8.5% Series B Cumulative Redeemable Preferred Shares, at a price of \$25.00 per share, pursuant to an effective registration statement with net proceeds to the Company of approximately \$72,200. Further in March 1999, 400,000 shares were sold when the underwriters exercised their over-allotment option resulting in additional net proceeds to the Company of \$9,700. The perpetual preferred shares may be called without penalty at the option of the Company commencing on March 17, 2004.

On May 17, 1999, the Company completed the sale of 4 million 8.5% Series C Cumulative Redeemable Preferred Shares, at a price of \$25.00 per share, pursuant to an effective registration statement with net proceeds to the Company of approximately \$96,900. Additionally in May 1999, 600,000 shares were sold when the underwriters exercised their over-allotment option resulting in additional net proceeds to the Company of \$14,500. The perpetual preferred shares may be called without penalty at the option of the Company commencing on May 17, 2004.

On May 27, 1999, the Company sold an aggregate of \$27,500 of 8.375% Series D-2 Cumulative Redeemable Preferred Units in the Operating Partnership to an institutional investor in a private placement, resulting in net proceeds of approximately \$27,467. The perpetual Preferred Units may be called without penalty at the option of the Operating Partnership commencing on May 27, 2004.

On September 3, 1999, the Company sold an aggregate of \$325,000 of 8.25% Series D-3 and D-4 Cumulative Redeemable Preferred Units in the Operating Partnership to institutional investors in private placements, resulting in net proceeds of approximately \$316,400. The Perpetual Preferred Units may be called without penalty at the option of the Operating Partnership commencing on September 7, 2004.

On March 12, 1999, the Vornado/Crescent Partnerships sold all of the non-real estate assets of Cold Storage Partnerships encompassing the operations of the cold storage business for approximately \$48,000 to a new partnership owned 60% by Vornado Operating Company and 40% by Crescent Operating Inc.

On October 15, 1999, the Company completed the acquisition of \$15,600 of securitized debt from the Newkirk Joint Ventures which has a yield of 14.28%.

On October 20, 1999, the Company lent Alexander's \$50,000 loan on the same terms and conditions as the Company's existing \$45,000 loan to Alexander's, including the interest rate of 14.18% and the maturity date of March 15, 2000. In conjunction with the additional loan, Alexander's paid \$11,200 (the Company's cost plus \$200,000 interest) for approximately 112,000 square feet of air rights which the Company had recently contracted to purchase.

On October 21, 1999, the Company increased its ownership interest in Alexander's from 29.3% to 32% by acquiring an additional 135,600 shares of Alexander's common stock for approximately \$8,956.

The Company anticipates that cash from continuing operations will be adequate to fund business operations and the payment of dividends and distributions on an on-going basis for more than the next twelve months; however, capital outlays for any significant acquisitions will require funding from borrowings or equity offerings.

Year 2000 Issues

Year 2000 compliance programs and information systems modification were initiated by the Company in early 1998 to address the risk posed by the year 2000 issue. The Company developed a plan to address their affected informational (accounting, billing and payroll) and operational (refrigeration, HVAC, security, elevators, lighting and energy management) systems. The Company's plan also considers statements from outside vendors as to their year 2000 readiness.

The Company and its partially-owned entities have completed the assessment, inventory and planning phases of the plan and have determined that all mission critical systems are year 2000 compliant. The Company believes that any issues encountered with informational or operational systems have been remediated. The Company completed its testing of all mission critical systems during the quarter ended September 30, 1999. The cost of the Company's year 2000 plan had no material impact to 1999 operations.

The Company believes that its exposure may be the failure of third parties (e.g., energy providers) in meeting their commitments which may result in temporary business interruption at the Company's buildings, retail centers, mart properties, cold storage warehouses and other real estate properties. The Company has contingency plans for its own day to day informational and operational systems that were completed by October 31, 1999. Failure of third parties with which the Company conducts business to successfully respond to their year 2000 issues may have an adverse effect on the Company.

Recently Issued Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management does not anticipate that implementation of this statement will have a material effect on the Company's financial statements.

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-up Activities" ("SOP 98-5"), which was effective for the Company in the first quarter of 1999. The Company has no deferred organization costs or other deferred start-up costs as defined in SOP 98-5, and therefore adoption of SOP 98-5 had no material effect to the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

At September 30, 1999, the Company's exposure to a change in interest rates on its wholly-owned and partially-owned debt is as follows:

(amounts in thousands except per share amounts)

	Balance	Weighted Average Interest Rate	Effect of 1% Increase In Base Rates
	-----	-----	-----
Wholly-owned debt:			
Variable rate.....	\$ 1,243,007	6.60%	\$ 12,430
Fixed rate.....	829,959	7.02%	--
	-----		-----
	\$ 2,072,966		12,430
	=====		-----
Partially-owned debt:			
Variable rate.....	\$ 76,182	7.51%	762
Fixed rate.....	1,119,273	7.47%	--
	-----		-----
	\$ 1,195,455		762
	=====		-----
Minority interest.....			(1,847)

Total decrease in the Company's annual net income.....			\$ 11,345
			=====
Per share-diluted.....			\$.13
			=====

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is from time to time involved in legal actions arising in the ordinary course of its business. In the opinion of management, after consultation with legal counsel, the outcome of such matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits required by Item 601 of Regulation S-K are incorporated herein by reference and are listed in the attached Exhibit Index.
- (b) Reports on Form 8-K

During the quarter ended September 30, 1999, Vornado Realty Trust filed the reports on Form 8-K described below:

Date of Report (Date of Earliest Event Reported)	Item Reported	Date Filed
-----	-----	-----
May 17, 1999	Sale of Series C Preferred Shares in public offering and issuance of Series D-2 Preferred Units by Vornado Realty L.P.	July 7, 1999

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: November 4, 1999

By: /s/ Irwin Goldberg

IRWIN GOLDBERG
Vice President, Chief Financial Officer

EXHIBIT INDEX

EXHIBIT
NO.

-
- 3.1 -- Amended and Restated Declaration of Trust of Vornado, amended April 3, 1997--Incorporated by reference to Exhibit 3.1 of Vornado's Registration Statement on Form S-8 (File No. 333-29011), filed on June 12, 1997..... *
- 3.2 -- Articles of Amendment of Declaration of Trust of Vornado, as filed with the State Department of Assessments and Taxation of Maryland on April 22, 1998 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated April 22, 1998 (File No. 001-11954), filed on April 28, 1998..... *
- 3.3 -- Articles Supplementary Classifying Vornado's \$3.25 Series A Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share - Incorporated by reference to Exhibit 4.1 of Vornado's Current Report on Form 8-K, dated April 3, 1997 (File No. 001-11954), filed on April 8, 1997..... *
- 3.4 -- Articles Supplementary Classifying Vornado's Series D-1 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest, no par value (the "Series D-1 Preferred Shares") - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated November 12, 1998 (File No. 001-11954), filed on November 30, 1998..... *
- 3.5 -- Articles Supplementary Classifying Additional Series D-1 Preferred Shares - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K/A, dated November 12, 1998 (File No. 001-11954), filed on February 9, 1999..... *
- 3.6 -- Articles Supplementary Classifying 8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share, no par value - Incorporated by reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999..... *
- 3.7 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with Respect to Series C Preferred Shares - Incorporated by reference to Exhibit 3.7 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed on May 19, 1999..... *
- 3.8 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-2 Preferred Shares, dated as of May 27, 1999, as filed with the State Department of Assessments and Taxation of Maryland on May 27, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed July 7, 1999..... *
- 3.9 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-3 Preferred Shares, dated as of September 3, 1999, as filed with the State Department of Assessments and Taxation of Maryland on September 3, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed October 25, 1999..... *
- 3.10 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-4 Preferred Shares, dated as of September 3, 1999, as filed with the State Department of Assessments and Taxation of Maryland on September 3, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed October 25, 1999..... *

* Incorporated by reference

EXHIBIT
NO.

- 3.11 -- By-laws of Vornado, as amended on April 28, 1997 - Incorporated by reference to Exhibit 3(b) of Vornado's Quarterly Report on Form 10-Q for the period ended March 31, 1997 (File No. 001-11954), filed on May 14, 1997..... *
- 3.12 -- Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of October 20, 1997 - Incorporated by reference to Exhibit 3.4 of Vornado's Annual Report on Form 10-K for the year ended December 31, 1997 filed on March 31, 1998 (the "1997 10-K").... *
- 3.13 -- Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of December 16, 1997- Incorporated by reference to Exhibit 3.5 of the 1997 10-K..... *
- 3.14 -- Second Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of April 1, 1998 - Incorporated by reference to Exhibit 3.5 of Vornado's Registration Statement on Form S-3 (File No. 333-50095), filed on April 14, 1998..... *
- 3.15 -- Third Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 12, 1998 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated November 12, 1998 (File No. 001-11954), filed on November 30, 1998..... *
- 3.16 -- Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 30, 1998 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated December 1, 1998 (File No. 001-11954), filed on February 9, 1999..... *
- 3.17 -- Exhibit A, dated as of December 22, 1998, to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K/A, dated November 12, 1998 (File No. 001-11954), filed on February 9, 1999..... *
- 3.18 -- Fifth Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 3, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999... *
- 3.19 -- Exhibit A to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 11, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999..... *
- 3.20 -- Sixth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of March 17, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... *
- 3.21 -- Seventh Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... *

* Incorporated by reference

EXHIBIT
NO.

- 3.22 -- Eighth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 27, 1999 - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... *
- 3.23 -- Ninth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of September 3, 1999 - Incorporated by reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K (File No. 001-11954), dated September 3, 1999 (File No. 001-11954), filed October 25, 1999..... *
- 3.24 -- Tenth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of September 3, 1999 - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K (File No. 001-11954), dated September 3, 1999 (File No. 001-11954), filed October 25, 1999..... *
- 4.1 -- Instruments defining the rights of security holders (see Exhibits 3.1 through 3.24 of this Quarterly Report on Form 10-Q).....
- 4.2 -- Indenture dated as of November 24, 1993 between Vornado Finance Corp. and Bankers Trust Company, as Trustee - Incorporated by reference to Vornado's current Report on Form 8-K dated November 24, 1993 (File No. 001-11954), filed December 1, 1993..... *
- 4.3 -- Specimen certificate representing Vornado's Common Shares of Beneficial Interest, par value \$0.04 per share - Incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Registration Statement on Form S-3 (File No. 33-62395), filed on October 26, 1995..... *
- 4.4 -- Specimen certificate representing Vornado's \$3.25 Series A Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share - Incorporated by reference to Exhibit 4.2 of Vornado's Current Report on Form 8-K, dated April 3, 1997 (File No. 001-11954), filed on April 8, 1997..... *
- 4.5 -- Specimen certificate evidencing Vornado's Series B 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest - Incorporated by reference to Exhibit 4.2 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed on March 15, 1999..... *
- 4.6 -- Specimen certificate evidencing Vornado's 8.5% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share, no par value - Incorporated by reference to Exhibit 4.2 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed on May 19, 1999..... *
- 10.1 -- Second Amendment, dated as of June 12, 1997, to Vornado's 1993 Omnibus Share Plan, as amended - Incorporated by reference to Vornado's Registration Statement on Form S-8 (File No. 333-29011) filed on June 12, 1997..... *
- 10.2 -- Master Agreement and Guaranty, between Vornado, Inc. and Bradlees New Jersey, Inc. dated as of May 1, 1992 - Incorporated by reference to Vornado's Quarterly Report on Form 10-Q for quarter ended March 31, 1992 (File No. 001-11954), filed May 8, 1992..... *
- 10.3** -- Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of November 24, 1993 made by each of the entities listed therein, as mortgagors to Vornado Finance Corp., as mortgagee - Incorporated by reference to Vornado's Current Report on Form 8-K dated November 24, 1993 (File No. 001-11954), filed December 1, 1993..... *

* Incorporated by reference
** Management contract or compensatory plan

EXHIBIT
NO.

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- 10.4** -- 1985 Stock Option Plan as amended - Incorporated by reference to Vornado's Quarterly Report on Form 10-Q for quarter ended May 2, 1987 (File No. 001-11954), filed June 9, 1987..... *
- 10.5** -- Form of Stock Option Agreement for use in connection with incentive stock options issued pursuant to Vornado, Inc. 1985 Stock Option Plan - Incorporated by reference to Vornado's Quarterly Report on Form 10-Q for quarter ended October 26, 1985 (File No. 001-11954), filed December 9, 1985..... *
- 10.6** -- Form of Stock Option Agreement for use in connection with incentive stock options issued pursuant to Vornado, Inc. 1985 Stock Option Plan--Incorporated by reference to Vornado's Quarterly Report on Form 10-Q for quarter ended May 2, 1987 (File No. 001-11954), filed June 9, 1987..... *
- 10.7** -- Form of Stock Option Agreement for use in connection with incentive stock options issued pursuant to Vornado, Inc. 1985 Stock Option Plan--Incorporated by reference to Vornado's Quarterly Report on Form 10-Q for quarter ended October 26, 1985 (File No. 001-11954), filed December 9, 1985..... *
- 10.8** -- Employment Agreement between Vornado Realty Trust and Joseph Macnow dated January 1, 1998 - Incorporated by reference to Exhibit 10.7 of Vornado's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998 (File No. 001-11954), filed November 12, 1998..... *
- 10.9** -- Employment Agreement between Vornado Realty Trust and Richard Rowan dated January 1, 1998 - Incorporated by reference to Exhibit 10.8 of Vornado's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998 (File No. 001-11954), filed November 12, 1998..... *
- 10.10** -- Employment Agreement between Vornado Realty Trust and Irwin Goldberg, dated December 11, 1997 - Incorporated by reference to Exhibit 10.10 of Vornado's Annual Report on Form 10-K/A for the year ended December 31, 1997 (File No. 001-11954), filed on April 14, 1998..... *
- 10.11** -- Employment Agreement between Vornado Realty Trust and Michael D. Fascitelli dated December 2, 1996 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1996 (File No. 001-11954), filed March 13, 1997..... *
- 10.12 -- Promissory Notes from Steven Roth to Vornado, Inc. dated December 29, 1992 and January 15, 1993 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993..... *
- 10.13 -- Registration Rights Agreement between Vornado, Inc. and Steven Roth Dated December 29, 1992 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993..... *
- 10.14 -- Stock Pledge Agreement between Vornado, Inc. and Steven Roth dated December 29, 1992 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993..... *
- 10.15 -- Promissory Note from Steven Roth to Vornado Realty Trust dated April 15, 1993 and June 17, 1993 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 001-11954), filed March 24, 1994..... *

* Incorporated by reference

** Management contract or compensatory plan

EXHIBIT
NO.

- 10.16 -- Promissory Note from Richard Rowan to Vornado Realty Trust - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 001-11954), filed March 24, 1994..... *
- 10.17 -- Promissory Note from Joseph Macnow to Vornado Realty Trust - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 001-11954), filed March 24, 1994..... *
- 10.18 -- Management Agreement between Interstate Properties and Vornado, Inc. dated July 13, 1992 -Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993..... *
- 10.19 -- Real Estate Retention Agreement between Vornado, Inc., Keen Realty Consultants, Inc. and Alexander's, Inc., dated as of July 20, 1992 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1992 (File No. 001-11954), filed February 16, 1993..... *
- 10.20 -- Amendment to Real Estate Retention Agreement dated February 6, 1995 - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 001-11954), filed March 23, 1995..... *
- 10.21 -- Stipulation between Keen Realty Consultants Inc. and Vornado Realty Trust re: Alexander's Retention Agreement - Incorporated by reference to Vornado's annual Report on Form 10-K for the year ended December 31, 1993 (File No. 001-11954), filed March 24, 1994..... *
- 10.22 -- Stock Purchase Agreement, dated February 6, 1995, among Vornado Realty Trust and Citibank, N.A. Incorporated by reference to Vornado's Current Report on Form 8-K dated February 6, 1995 (File No. 001-11954), filed February 21, 1995..... *
- 10.23 -- Management and Development Agreement, dated as of February 6, 1995 - Incorporated by reference to Vornado's Current Report on Form 8-K dated February 6, 1995 (File No. 001-11954), filed February 21, 1995..... *
- 10.24 -- Standstill and Corporate Governance Agreement, dated as of February 6, 1995 - Incorporated by reference to Vornado's Current Report on Form 8-K dated February 6, 1995 (File No. 001-11954), filed February 21, 1995..... *
- 10.25 -- Credit Agreement, dated as of March 15, 1995, among Alexander's Inc., as borrower, and Vornado Lending Corp., as lender - Incorporated by reference from Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 001 - 11954), filed March 23, 1995..... *
- 10.26 -- Subordination and Intercreditor Agreement, dated as of March 15, 1995 among Vornado Lending Corp., Vornado Realty Trust and First Fidelity Bank, National Association - Incorporated by reference to Vornado's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 001-11954), filed March 23, 1995..... *
- 10.27 -- Revolving Credit Agreement dated as of February 27, 1995 among Vornado Realty Trust, as borrower, and Union Bank of Switzerland, as Bank and Administrative Agent - Incorporated by reference to Exhibit 10(F)9 of Vornado's Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 001-11954), filed March 23, 1995..... *
- 10.28 -- Form of Intercompany Agreement between Vornado Realty L.P. and Vornado Operating, Inc. -Incorporated by reference to Exhibit 10.1 of Amendment No. 1 to Vornado Operating, Inc.'s Registration Statement on Form S-11 (File No. 333-40701), filed on January 23, 1998..... *

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* Incorporated by reference

EXHIBIT
NO.

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- 10.29 -- Form of Revolving Credit Agreement between Vornado Realty L.P. and Vornado Operating, Inc., together with related form of Note - Incorporated by reference to Exhibit 10.2 of Amendment No. 1 to Vornado Operating, Inc.'s Registration Statement on Form S-11 (File No.333-40701)..... *
- 10.30 -- Amended and Restated Revolving Credit Agreement, dated as of February 23, 1998, between Vornado Realty L.P., as Borrower, Vornado Realty Trust, as General Partner and Union Bank of Switzerland (New York Branch), as Bank, the other banks signatory hereto, each as a bank, Union Bank of Switzerland (New York Branch), as Administrative Agent and Citicorp Real Estate, Inc., The Chase Manhattan Bank and Nationsbank, as Syndication Agents - Incorporated by reference to Exhibit 10.29 of the 1997 10-K..... *
- 10.31 -- Registration Rights Agreement, dated as of April 15, 1997, between Vornado Realty Trust and the holders of Units listed on Schedule A thereto - Incorporated by reference to Exhibit 10.2 of Vornado's Current Report on Form 8-K (File No. 001-11954), filed on April 30, 1997..... *
- 10.32 -- Noncompetition Agreement, dated as of April 15, 1997, by and among Vornado Realty Trust, the Mendik Company, L.P., and Bernard H. Mendik - Incorporated by reference to Exhibit 10.3 of Vornado's Current Report on Form 8-K (File No. 001-11954), filed on April 30, 1997..... *
- 10.33 -- Employment Agreement, dated as of April 15, 1997, by and among Vornado Realty Trust, The Mendik Company, L.P. and David R. Greenbaum - Incorporated by reference to Exhibit 10.4 of Vornado's Current Report on Form 8-K (File No. 001-11954), filed on April 30, 1997..... *
- 10.34 -- Agreement, dated September 28, 1997, between Atlanta Parent Incorporated, Portland Parent Incorporated and Crescent Real Estate Equities, Limited Partnership - Incorporated by reference to Exhibit 99.6 of Vornado's Current Report on Form 8-K (File No. 001-11954), filed on October 8, 1997..... *
- 10.35 -- Contribution Agreement between Vornado Realty Trust, Vornado Realty L.P. and The Contributors Signatory - thereto - Merchandise Mart Properties, Inc. (DE) and Merchandise Mart Enterprises, Inc. Incorporated by reference to Exhibit 10.34 of Vornado's Annual Report on Form 10-K/A for the year ended December 31, 1997 (File No. 001-11954), filed on April 8, 1998..... *
- 10.36 -- Sale Agreement executed November 18, 1997, and effective December 19, 1997, between MidCity Associates, a New York partnership, as Seller, and One Penn Plaza LLC, a New York Limited liability company; as purchaser. Incorporated by reference to Exhibit 10.35 of Vornado's Annual Report on Form 10-K/A for the year ended December 31, 1997 (File No. 001-11954), filed on April 8, 1998..... *
- 10.37 -- Promissory Notes from Michael D. Fascitelli to Vornado Realty Trust dated March 2, 1998 and April 30, 1998. Incorporated by reference to Exhibit 10.37 of Vornado's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998 (File No. 001-11954), filed May 13, 1998..... *
- 10.38 -- Credit Agreement dated as of June 22, 1998 among One Penn Plaza, LLC, as Borrower, The Lenders Party Hereto, The Chase Manhattan Bank, as Administrative Agent Incorporated by reference to Exhibit 10 of Vornado's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998 (File No. 001-11954), filed August 13, 1998..... *
- 10.39 -- Registration Rights Agreement, dated as of April 1, 1998 between Vornado and the Unit Holders named herein - Incorporated by reference to Exhibit 10.2 of Amendment No. 1 to Vornado's Registration Statement on Form S-3 (File No. 333-50095), filed on May 6, 1998..... *

* Incorporated by reference

EXHIBIT

NO.

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- 10.40 -- Underwriting Agreement, dated April 9, 1998, among Vornado, Vornado Realty L.P. and Goldman, Sachs & Co. - Incorporated by reference to Exhibit 1.1 of Vornado's Current Report on Form 8-K, dated April 9, 1998 (File No. 001-11954), filed on April 16, 1998..... *
- 10.41 -- Pricing Agreement, dated April 9, 1998, between Vornado and Goldman, Sachs & Co. - Incorporated by reference to Exhibit 1.2 of Vornado's Current Report on Form 8-K, dated April 9, 1998 (File No. 001-11954), filed on April 16, 1998..... *
- 10.42 -- Underwriting Agreement, dated April 23, 1998, among Vornado, Vornado Realty L.P. and Merrill Lynch, Pierce, Fenner & Smith Incorporated - Incorporated by reference to Exhibit 1.1 of Vornado's Current Report on Form 8-K, dated April 22, 1998 (File No. 001-11954), filed on April 28, 1998..... *
- 10.43 -- Underwriting Agreement, dated March 12, 1999, among Vornado, Vornado Realty L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated - Incorporated by reference to Exhibit 1.1 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999.. *
- 27 -- Financial Data Schedule

- -----
 * Incorporated by reference

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS		
	DEC-31-1999	
	SEP-30-1999	
	140,752	
	77,472	
	48,253	
	6,340	
	0	
	0	
	3,840,944	
	(286,650)	
	5,308,120	
	0	
	2,072,966	
	0	
	478,029	
	3,437	
	1,545,734	
5,308,120		0
	513,307	0
	206,340	
	87,834	
	3,049	
	105,986	
	156,000	
	0	
156,000		0
	0	
	0	
		0
	132,235	
	1.55	
	1.51	