

## PRESS RELEASE

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### Vornado's operating results for the nine months ended September 30, 1998.

SADDLE BROOK, NEW JERSEY.....VORNADO REALTY TRUST (NYSE:VNO) today reported that funds from operations for the quarter ended September 30, 1998 were \$58.6 million, or \$.69 per diluted share, compared to \$17.1 million, or \$.32 per diluted share, for the quarter ended September 30, 1997. Net income applicable to common shares for the quarter ended September 30, 1998 was \$39.7 million, or \$.46 per diluted share, versus \$10.4 million, or \$.19 per diluted share, for the quarter ended September 30, 1997.

Funds from operations for the nine months ended September 30, 1998 were \$157.8 million, or \$1.94 per diluted share, compared to \$43.8 million, or \$.82 per diluted share, for the prior year's period. Net income applicable to common shares for the nine months ended September 30, 1998 was \$96.6 million, or \$1.19 per diluted share, versus \$29.0 million, or \$.54 per diluted share, for the prior year's period.

1998's net income applicable to common shares for the three and nine months include a net gain of \$9.6 million or \$.12 per share resulting from an insurance settlement and a condemnation proceeding. This gain is not included in Funds From Operations.

1997's results reflect an expense of \$6.2 million, or \$.12 per share, in the quarter and \$18.7 million, or \$.35 per share, in the nine months representing amortization of an officer's employment arrangement.

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

### VORNADO REALTY TRUST

#### OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1998

(amounts in thousands, except per share amounts)	For The Three Months Ended	
	September 30, 1998 <sup>(1)</sup>	September 30, 1997 <sup>(2)</sup>
Revenues .....	<u>\$140,672</u>	<u>\$61,868</u>
Net income .....	\$45,082	\$15,626
Preferred stock dividends .....	<u>(5,423)</u>	<u>(5,241)</u>
Net income applicable to common shares .....	<u>\$39,659</u>	<u>\$10,385</u>
Funds from operations .....	<u>\$58,608</u>	<u>\$17,056</u>
Per Common Share:		
Net income .....		
Basic .....	<u>\$ .47</u>	<u>\$ .20</u>
Diluted .....	<u>\$ .46</u>	<u>\$ .19</u>
Funds from operations .....	<u>\$ .69</u>	<u>\$ .32</u>
Average number of common shares and share equivalents outstanding .....	85,428,043	53,693,054

(amounts in thousands, except per share amounts)	<u>For The Nine Months Ended</u>	
	<u>September 30,</u> <u>1998<sup>(1)</sup></u>	<u>September 30,</u> <u>1997<sup>(2)</sup></u>
Revenues .....	<u>\$359,406</u>	<u>\$141,827</u>
Net income.....	\$112,885	\$39,104
Preferred stock dividends .....	<u>(16,268)</u>	<u>(10,096)</u>
Net income applicable to common shares.....	<u>\$96,617</u>	<u>\$29,008</u>
Funds from operations.....	<u>\$157,789</u>	<u>\$43,789</u>
Per Common Share:		
Net income:		
Basic.....	<u>\$1.22</u>	<u>\$ .56</u>
Diluted.....	<u>\$1.19</u>	<u>\$ .54</u>
Funds from operations .....	<u>\$1.94</u>	<u>\$ .82</u>
Average number of common shares and share equivalents outstanding.....	<u>81,482,379</u>	<u>53,648,222</u>

(1) Operating results for the three and nine months ended September 30, 1998, reflect a net gain from an insurance settlement and condemnation proceeding of \$9,649 or \$.12 per share.

(2) Operating results for the three and nine months ended September 30, 1997, reflect amortization of an officer's employment arrangement of \$6,429 and \$18,747 or \$.12 and \$.35 per share.