

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported):  
April 30, 2018

VORNADO REALTY TRUST  
(Exact Name of Registrant as Specified in Charter)

Maryland

(State or Other  
Jurisdiction of Incorporation)

No. 001-11954

(Commission  
File Number)

No. 22-1657560

(IRS Employer  
Identification No.)

VORNADO REALTY L.P.  
(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other  
Jurisdiction of Incorporation)

No. 001-34482

(Commission  
File Number)

No. 13-3925979

(IRS Employer  
Identification No.)

888 Seventh Avenue  
New York, New York

(Address of Principal Executive offices)

10019

(Zip Code)

Registrant's telephone number, including area code: (212) 894-7000  
Former name or former address, if changed since last report: N/A

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On April 30, 2018, Vornado Realty Trust (the “Company”), the general partner of Vornado Realty L.P., issued a press release announcing its financial results for the first quarter of 2018. That press release referred to certain supplemental financial information that is available on the Company’s website. That press release and the supplemental financial information are attached to this Current Report on Form 8-K as Exhibits 99.1 and 99.2, respectively, and are incorporated by reference herein.

Exhibits 99.1 and 99.2 hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company or Vornado Realty L.P. under the Securities Act of 1933, as amended, or the Exchange Act.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibits are being furnished as part of this Current Report on Form 8-K:

- [99.1](#) Vornado Realty Trust Press Release Dated April 30, 2018
- [99.2](#) Vornado Realty Trust supplemental operating and financial data for the quarter ended March 31, 2018



CONTACT: JOSEPH MACNOW  
(212) 894-7000

**VORNADO**  
REALTY TRUST

888 Seventh Avenue  
New York, NY 10019

FOR IMMEDIATE RELEASE - April 30, 2018

### Vornado Announces First Quarter 2018 Financial Results

NEW YORK.....VORNADO REALTY TRUST (NYSE: VNO) reported today:

#### Quarter Ended March 31, 2018 Financial Results

NET LOSS attributable to common shareholders for the quarter ended March 31, 2018 was \$17.8 million, or \$0.09 per diluted share compared to net income attributable to common shareholders of \$47.8 million, or \$0.25 per diluted share, for the prior year's quarter. Adjusting net (loss) income attributable to common shareholders for the items listed in the table below, net income attributable to common shareholders, as adjusted (non-GAAP) for the quarters ended March 31, 2018 and 2017 was \$56.4 million and \$46.9 million, or \$0.30 and \$0.25 per diluted share, respectively.

The following table reconciles our net (loss) income attributable to common shareholders to net income attributable to common shareholders, as adjusted (non-GAAP):

(Amounts in thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2018	2017
Net (loss) income attributable to common shareholders	\$ (17,841)	\$ 47,752
Per diluted share	\$ (0.09)	\$ 0.25
Certain expense (income) items that impact net (loss) income attributable to common shareholders:		
Decrease in fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018	\$ 34,660	\$ —
Our share of potential additional New York City transfer taxes based on a Tax Tribunal interpretation which Vornado is appealing	23,503	—
Preferred share issuance costs	14,486	—
666 Fifth Avenue Office Condominium (49.5% interest)	3,492	10,197
Our share of real estate fund investments (excluding our \$4,252 share of One Park Avenue potential additional transfer taxes and reduction in carried interest)	(814)	3,235
Loss (income) from discontinued operations (primarily related to JBG SMITH Properties operating results and transaction costs through July 17, 2017 spin-off)	363	(15,318)
Other	3,420	949
	79,110	(937)
Noncontrolling interests' share of above adjustments	(4,881)	58
Total of certain expense (income) items that impact net (loss) income attributable to common shareholders	\$ 74,229	\$ (879)
Net income attributable to common shareholders, as adjusted (non-GAAP)	\$ 56,388	\$ 46,873
Per diluted share (non-GAAP)	\$ 0.30	\$ 0.25

FUNDS FROM OPERATIONS ("FFO") attributable to common shareholders plus assumed conversions (non-GAAP) for the quarter ended March 31, 2018 was \$102.5 million, or \$0.54 per diluted share, compared to \$205.7 million, or \$1.08 per diluted share, for the prior year's quarter. Adjusting FFO attributable to common shareholders plus assumed conversions for the items listed in the table below, FFO attributable to common shareholders plus assumed conversions, as adjusted (non-GAAP) for the quarters ended March 31, 2018 and 2017 was \$173.8 million and \$160.1 million, or \$0.91 and \$0.84 per diluted share, respectively.

The following table reconciles our FFO attributable to common shareholders plus assumed conversions (non-GAAP) to FFO, as adjusted attributable to common shareholders plus assumed conversions (non-GAAP):

(Amounts in thousands, except per share amounts)

	<b>For the Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
FFO attributable to common shareholders plus assumed conversions (non-GAAP) <sup>(1)</sup>	\$ 102,479	\$ 205,729
Per diluted share (non-GAAP)	\$ 0.54	\$ 1.08
Certain expense (income) items that impact FFO attributable to common shareholders plus assumed conversions:		
Decrease in fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018	\$ 34,660	\$ —
Our share of potential additional New York City transfer taxes based on a Tax Tribunal interpretation which Vornado is appealing	23,503	—
Preferred share issuance costs	14,486	—
Our share of real estate fund investments (excluding our \$4,252 share of One Park Avenue potential additional transfer taxes and reduction in carried interest)	(814)	3,235
FFO from discontinued operations (primarily related to JBG SMITH Properties operating results and transaction costs through July 17, 2017 spin-off)	363	(48,093)
666 Fifth Avenue Office Condominium (49.5% interest)	137	(3,553)
Other	3,721	(249)
	76,056	(48,660)
Noncontrolling interests' share of above adjustments	(4,693)	3,036
Total of certain expense (income) items that impact FFO attributable to common shareholders plus assumed conversions	\$ 71,363	\$ (45,624)
FFO attributable to common shareholders plus assumed conversions, as adjusted (non-GAAP)	\$ 173,842	\$ 160,105
Per diluted share (non-GAAP)	\$ 0.91	\$ 0.84

(1) See page 9 for a reconciliation of our net (loss) income attributable to common shareholders to FFO attributable to common shareholders plus assumed conversions (non-GAAP) for the three months ended March 31, 2018 and 2017.

**Acquisition Activity**

On February 9, 2018, we acquired 537 West 26th Street, a 14,000 square foot commercial property adjacent to our 260 Eleventh Avenue office property and 55,000 square feet of additional zoning air rights, for \$44,000,000.

**Disposition Activity**

On January 17, 2018, Vornado Capital Partners Real Estate Fund (the "Fund") completed the sale of the retail condominium at 11 East 68th Street, a property located on Madison Avenue and 68th Street, for \$82,000,000. From the inception of this investment through its disposition, the Fund realized a \$46,259,000 net gain.

**Financing Activities**

On January 4 and 11, 2018, we redeemed all of the outstanding 6.625% Series G and Series I cumulative redeemable preferred shares at their redemption price of \$25.00 per share, or \$470,000,000 in the aggregate, plus accrued and unpaid dividends through the date of redemption, and expensed \$14,486,000 of previously capitalized issuance costs.

On January 5, 2018, we completed a \$100,000,000 refinancing of 33-00 Northern Boulevard (Center Building), a 471,000 square foot office building in Long Island City, New York. The seven-year loan is at LIBOR plus 1.80%, which was swapped to a fixed rate of 4.14%. We realized net proceeds of approximately \$37,200,000 after repayment of the existing 4.43% \$59,800,000 mortgage and closing costs.

**First Quarter Leasing Activity:**

- 424,000 square feet of New York Office space (359,000 square feet at share) at an initial rent of \$82.07 per square foot and a weighted average term of 10.5 years. The GAAP and cash mark-to-markets on the 285,000 square feet of second generation space were positive 62.5% and 50.3%, respectively. Excluding a 77,000 square foot lease at 770 Broadway, the GAAP and cash mark-to-markets were positive 20.2% and 12.5%, respectively. Tenant improvements and leasing commissions were \$9.33 per square foot per annum, or 11.4% of initial rent.
- 77,000 square feet of New York Retail space (all at share and all second generation) at an initial rent of \$212.03 per square foot and a weighted average term of 4.5 years. The GAAP and cash mark-to-markets were negative 12.3% and 20.1%, respectively. Excluding a 43,000 square foot lease at 435 Seventh Avenue, the GAAP and cash mark-to-markets were positive 19.2% and 4.9%, respectively. Tenant improvements and leasing commissions were \$14.06 per square foot per annum, or 6.6% of initial rent.
- 119,000 square feet at theMART (all at share) at an initial rent of \$50.39 per square foot and a weighted average term of 5.7 years. The GAAP and cash mark-to-markets on the 113,000 square feet of second generation space were positive 36.6% and 28.0%, respectively. Tenant improvements and leasing commissions were \$4.19 per square foot per annum, or 8.3% of initial rent.
- 89,000 square feet at 555 California Street (62,000 square feet at share) at an initial rent of \$85.89 per square foot and a weighted average term of 7.1 years. The GAAP and cash mark-to-markets on the 30,000 square feet of second generation space were positive 39.3% and 17.0%, respectively. Tenant improvements and leasing commissions were \$11.64 per square foot per annum, or 13.6% of initial rent.

**Same Store Net Operating Income ("NOI"):**

The percentage increase (decrease) in same store NOI and same store NOI - cash basis of our New York segment, theMART and 555 California Street are summarized below.

	<u>New York</u>	<u>theMART</u>	<u>555 California Street</u>
Same store NOI at share % increase (decrease):			
Three months ended March 31, 2018 compared to March 31, 2017	4.0 % <sup>(1)</sup>	3.4%	12.3%
Three months ended March 31, 2018 compared to December 31, 2017	(5.6)% <sup>(1)</sup>	10.7% <sup>(2)</sup>	12.6%
Same store NOI at share - cash basis % increase (decrease):			
Three months ended March 31, 2018 compared to March 31, 2017	5.6 % <sup>(1)</sup>	10.0%	13.3%
Three months ended March 31, 2018 compared to December 31, 2017	(4.5)% <sup>(1)</sup>	10.9% <sup>(2)</sup>	7.6%

	<u>Increase (Decrease)</u>
<b>(1)</b> Excluding Hotel Pennsylvania - same store NOI at share % increase (decrease):	
Three months ended March 31, 2018 compared to March 31, 2017	3.7 %
Three months ended March 31, 2018 compared to December 31, 2017	(2.2)%
Excluding Hotel Pennsylvania - same store NOI at share - cash basis % increase (decrease):	
Three months ended March 31, 2018 compared to March 31, 2017	5.3 %
Three months ended March 31, 2018 compared to December 31, 2017	(0.8)%

**(2)** Excluding tradeshows seasonality, same store NOI at share and same store NOI at share - cash basis decreased by 0.7% and 0.5%, respectively.

**NOI:**

The elements of our New York and Other NOI for the three months ended March 31, 2018, March 31, 2017 and December 31, 2017 are summarized below.

(Amounts in thousands)	For the Three Months Ended		
	March 31,		
	2018	2017	December 31, 2017
New York:			
Office	\$ 187,156	\$ 174,724	\$ 189,481
Retail	87,909	89,048	90,853
Residential	6,141	6,278	5,920
Alexander's	11,575	11,743	11,656
Hotel Pennsylvania	(4,185)	(4,638)	6,318
Total New York	<u>288,596</u>	<u>277,155</u>	<u>304,228</u>
Other:			
theMART	26,875	25,889	24,249
555 California Street	13,511	12,034	12,003
Other investments	20,054	22,080	23,377
Total Other	<u>60,440</u>	<u>60,003</u>	<u>59,629</u>
NOI at share	<u>\$ 349,036</u>	<u>\$ 337,158</u>	<u>\$ 363,857</u>

**NOI - Cash Basis:**

The elements of our New York and Other NOI - cash basis for the three months ended March 31, 2018, March 31, 2017 and December 31, 2017 are summarized below.

(Amounts in thousands)	For the Three Months Ended		
	March 31,		
	2018	2017	December 31, 2017
New York:			
Office	\$ 178,199	\$ 166,339	\$ 175,787
Retail	79,589	79,419	83,320
Residential	5,599	5,542	5,325
Alexander's	12,039	12,088	12,004
Hotel Pennsylvania	(4,153)	(4,605)	6,351
Total New York	<u>271,273</u>	<u>258,783</u>	<u>282,787</u>
Other:			
theMART	27,079	24,532	24,396
555 California Street	12,826	11,325	11,916
Other investments	19,910	22,037	23,179
Total Other	<u>59,815</u>	<u>57,894</u>	<u>59,491</u>
NOI at share - cash basis	<u>\$ 331,088</u>	<u>\$ 316,677</u>	<u>\$ 342,278</u>



## Development/Redevelopment as of March 31, 2018

(in thousands, except square feet)

Current Projects:	Segment	Property Rentable Sq. Ft.	(At Share)			% Complete	Start	Initial Occupancy	Full Quarter Stabilized Operations
			Excluding Land Costs						
			Incremental Budget	Amount Expended					
220 Central Park South - residential condominiums	Other	397,000	\$ 1,400,000	\$ 970,000	(1)	69.3%	Q3 2012	N/A	N/A
Moynihan Office Building - (50.1% interest)(2)	New York	850,000	400,000	30,375		7.6%	Q2 2017	Q3 2020	Q2 2022
One Penn Plaza - renovation(3)	New York	2,530,000	200,000	2,460		1.2%	Q4 2018	N/A	N/A
61 Ninth Avenue - office/retail (45.1% interest)(4)	New York	170,000	69,000	51,826		75.1%	Q1 2016	Q2 2018	Q2 2019
512 West 22nd Street - office/retail (55.0% interest)	New York	173,000	72,000	44,521	(5)	61.8%	Q4 2015	Q3 2018	Q1 2020
345 Montgomery Street (555 California Street) (70.0% interest)	Other	64,000	32,000	3,157	(6)	9.9%	Q1 2018	Q3 2019	Q3 2020
606 Broadway - office/retail (50.0% interest)	New York	34,000	30,000	19,195	(7)	64.0%	Q2 2016	Q4 2018	Q2 2020
825 Seventh Avenue - office (50.0% interest)	New York	165,000	15,000	1,103		7.4%	Q2 2018	Q1 2020	Q1 2021
Total current projects				<u>\$ 1,122,637</u>					

Future Opportunities:	Segment	Property Zoning Sq. Ft.
Penn Plaza - multiple opportunities - office/residential/retail	New York	TBD
Hotel Pennsylvania	New York	2,052,000
260 Eleventh Avenue - office(8)	New York	300,000

Undeveloped Land:	Segment	Property Zoning Sq. Ft.
29, 31, 33 West 57th Street (50.0% interest)	New York	150,000
527 West Kinzie, Chicago	Other	330,000
Total undeveloped land		<u>480,000</u>

(1) Excludes land and acquisition costs of \$515,426.

(2) Excludes \$115,230 for our share of the upfront contribution of \$230,000. The building and land are subject to a lease which expires in 2116.

(3) The building is subject to a ground lease which expires in 2098.

(4) The building is subject to a ground lease which expires in 2115.

(5) Excludes land and acquisition costs of \$57,000.

(6) Excludes land and building costs of \$31,000.

(7) Excludes land and acquisition costs of \$22,703.

(8) The building is subject to a ground lease which expires in 2114.

### Conference Call and Audio Webcast

As previously announced, the Company will host a quarterly earnings conference call and an audio webcast on Tuesday, May 1, 2018 at 10:00 a.m. Eastern Time (ET). The conference call can be accessed by dialing 888-771-4371 (domestic) or 847-585-4405 (international) and indicating to the operator the passcode 46816083. A telephonic replay of the conference call will be available from 1:00 p.m. ET on May 1, 2018 through May 31, 2018. To access the replay, please dial 888-843-7419 and enter the passcode 46816083#. A live webcast of the conference call will be available on the Company's website at [www.vno.com](http://www.vno.com) and an online playback of the webcast will be available on the website for 90 days following the conference call.

### Supplemental Financial Information

Further details regarding results of operations, properties and tenants can be accessed at the Company's website [www.vno.com](http://www.vno.com). Vornado Realty Trust is a fully - integrated equity real estate investment trust.

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For a discussion of factors that could materially affect the outcome of our forward-looking statements and our future results and financial condition, see "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K for the year ended December 31, 2017. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

**VORNADO REALTY TRUST  
CONSOLIDATED BALANCE SHEETS**

	As of	
	March 31, 2018	December 31, 2017
(Amounts in thousands, except unit, share, and per share amounts)		
<b>ASSETS</b>		
Real estate, at cost:		
Land	\$ 3,170,158	\$ 3,143,648
Buildings and improvements	9,946,225	9,898,605
Development costs and construction in progress	1,705,244	1,615,101
Leasehold improvements and equipment	104,710	98,941
Total	14,926,337	14,756,295
Less accumulated depreciation and amortization	(2,962,983)	(2,885,283)
Real estate, net	11,963,354	11,871,012
Cash and cash equivalents	1,327,384	1,817,655
Restricted cash	90,684	97,157
Marketable securities	149,766	182,752
Tenant and other receivables, net of allowance for doubtful accounts of \$5,171 and \$5,526	64,387	58,700
Investments in partially owned entities	1,033,228	1,056,829
Real estate fund investments	336,552	354,804
Receivable arising from the straight-lining of rents, net of allowance of \$739 and \$954	934,535	926,711
Deferred leasing costs, net of accumulated amortization of \$194,078 and \$191,827	405,209	403,492
Identified intangible assets, net of accumulated amortization of \$157,062 and \$150,837	152,834	159,260
Assets related to discontinued operations	275	1,357
Other assets	406,275	468,205
	<u>\$ 16,864,483</u>	<u>\$ 17,397,934</u>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>		
Mortgages payable, net	\$ 8,102,238	\$ 8,137,139
Senior unsecured notes, net	843,125	843,614
Unsecured term loan, net	749,114	748,734
Unsecured revolving credit facilities	80,000	—
Accounts payable and accrued expenses	431,094	415,794
Deferred revenue	200,648	227,069
Deferred compensation plan	109,525	109,177
Liabilities related to discontinued operations	1,176	3,620
Preferred shares redeemed on January 4 and 11, 2018	—	455,514
Other liabilities	465,659	464,635
Total liabilities	10,982,579	11,405,296
Commitments and contingencies		
Redeemable noncontrolling interests:		
Class A units - 12,653,821 and 12,528,899 units outstanding	851,598	979,509
Series D cumulative redeemable preferred units - 177,101 units outstanding	5,428	5,428
Total redeemable noncontrolling interests	857,026	984,937
Vornado's shareholders' equity:		
Preferred shares of beneficial interest: no par value per share; authorized 110,000,000 shares; issued and outstanding 36,799,573 shares	891,325	891,988
Common shares of beneficial interest: \$0.04 par value per share; authorized 250,000,000 shares; issued and outstanding 190,169,168 and 189,983,858 shares	7,584	7,577
Additional capital	7,629,013	7,492,658
Earnings less than distributions	(4,198,088)	(4,183,253)
Accumulated other comprehensive income	30,258	128,682
Total Vornado shareholders' equity	4,360,092	4,337,652
Noncontrolling interests in consolidated subsidiaries	664,786	670,049
Total equity	<u>\$ 5,024,878</u>	<u>\$ 5,007,701</u>
	<u>\$ 16,864,483</u>	<u>\$ 17,397,934</u>

**VORNADO REALTY TRUST  
OPERATING RESULTS**

(Amounts in thousands, except per share amounts)

	<b>For the Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Revenues	\$ 536,437	\$ 508,058
Income from continuing operations	\$ 645	\$ 58,529
(Loss) income from discontinued operations	(363)	15,318
Net income	282	73,847
Less net loss (income) attributable to noncontrolling interests in:		
Consolidated subsidiaries	8,274	(6,737)
Operating Partnership	1,124	(3,229)
Net income attributable to Vornado	9,680	63,881
Preferred share dividends	(13,035)	(16,129)
Preferred share issuance costs	(14,486)	—
Net (loss) income attributable to common shareholders	\$ (17,841)	\$ 47,752
(Loss) income per common share - Basic:		
(Loss) income from continuing operations, net	\$ (0.09)	\$ 0.18
Income from discontinued operations, net	—	0.07
Net (loss) income per common share	\$ (0.09)	\$ 0.25
Weighted average shares outstanding	190,081	189,210
(Loss) income per common share - Diluted:		
(Loss) income from continuing operations, net	\$ (0.09)	\$ 0.18
Income from discontinued operations, net	—	0.07
Net (loss) income per common share	\$ (0.09)	\$ 0.25
Weighted average shares outstanding	190,081	190,372
FFO attributable to common shareholders plus assumed conversions (non-GAAP)	\$ 102,479	\$ 205,729
Per diluted share (non-GAAP)	\$ 0.54	\$ 1.08
FFO attributable to common shareholders plus assumed conversions, as adjusted (non-GAAP)	\$ 173,842	\$ 160,105
Per diluted share (non-GAAP)	\$ 0.91	\$ 0.84
Weighted average shares used in determining FFO per diluted share	191,057	190,412

####

**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS**

The following table reconciles net (loss) income attributable to common shareholders to FFO attributable to common shareholders plus assumed conversions:

(Amounts in thousands, except per share amounts)

	<b>For the Three Months Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Net (loss) income attributable to common shareholders	\$ (17,841)	\$ 47,752
Per diluted share	\$ (0.09)	\$ 0.25
FFO adjustments:		
Depreciation and amortization of real property	\$ 100,410	\$ 130,469
Net gains on sale of real estate	—	(2,267)
Proportionate share of adjustments to equity in net (loss) income of partially owned entities to arrive at FFO:		
Depreciation and amortization of real property	28,106	39,074
Net gains on sale of real estate	(305)	(1,853)
Real estate impairment losses	4	3,051
	<u>128,215</u>	<u>168,474</u>
Noncontrolling interests' share of above adjustments	(7,911)	(10,517)
FFO adjustments, net	<u>\$ 120,304</u>	<u>\$ 157,957</u>
FFO attributable to common shareholders (non-GAAP)	\$ 102,463	\$ 205,709
Convertible preferred share dividends	16	20
FFO attributable to common shareholders plus assumed conversions (non-GAAP)	<u>\$ 102,479</u>	<u>\$ 205,729</u>
Per diluted share (non-GAAP)	<u>\$ 0.54</u>	<u>\$ 1.08</u>

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are non-GAAP financial measures used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies. A reconciliation of our net (loss) income attributable to common shareholders to FFO attributable to common shareholders plus assumed conversions is provided above. In addition to FFO attributable to common shareholders plus assumed conversions, we also disclose FFO attributable to common shareholders plus assumed conversions, as adjusted. Although this non-GAAP measure clearly differs from NAREIT's definition of FFO, we believe it provides a meaningful presentation of operating performance. Reconciliations of FFO attributable to common shareholders plus assumed conversions to FFO attributable to common shareholders plus assumed conversions, as adjusted are provided on page 2 of this press release.

**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS - CONTINUED**

Below is a reconciliation of net income to NOI by segment for the three months ended March 31, 2018, March 31, 2017 and December 31, 2017.

(Amounts in thousands)	For the Three Months Ended		
	March 31,		December 31, 2017
	2018	2017	
Net income	\$ 282	\$ 73,847	\$ 53,551
Deduct:			
Loss (income) from partially owned entities	9,904	(1,358)	(9,622)
Loss (income) from real estate fund investments	8,807	(268)	(4,889)
Interest and other investment loss (income), net	24,384	(6,695)	(8,294)
Net gains on disposition of wholly owned and partially owned assets	—	(501)	—
Loss (income) from discontinued operations	363	(15,318)	(1,273)
NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,312)	(16,338)	(16,533)
Add:			
Depreciation and amortization expense	108,686	105,128	114,166
General and administrative expense	43,633	47,237	35,139
Transaction related costs and other	13,156	752	703
NOI from partially owned entities	67,513	66,097	69,175
Interest and debt expense	88,166	82,724	93,073
Income tax expense	1,454	1,851	38,661
NOI at share	349,036	337,158	363,857
Non cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(17,948)	(20,481)	(21,579)
NOI at share - cash basis	\$ 331,088	\$ 316,677	\$ 342,278

NOI represents total revenues less operating expenses. We consider NOI to be the primary non-GAAP financial measure for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on NOI, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. NOI should not be considered a substitute for net income. NOI may not be comparable to similarly titled measures employed by other companies.

**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS - CONTINUED**

Below are reconciliations of NOI to same store NOI for our New York segment, theMART and 555 California Street for the three months ended March 31, 2018 compared to March 31, 2017.

(Amounts in thousands)	New York	theMART	555 California Street
NOI at share for the three months ended March 31, 2018	\$ 288,596	\$ 26,875	\$ 13,511
Less NOI at share from:			
Acquisitions	(350)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(412)	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(1,127)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share for the three months ended March 31, 2018	<u>\$ 286,168</u>	<u>\$ 26,790</u>	<u>\$ 13,511</u>
NOI at share for the three months ended March 31, 2017	\$ 277,155	\$ 25,889	\$ 12,034
Less NOI at share from:			
Acquisitions	—	31	—
Dispositions	(228)	—	—
Development properties placed into and out of service	16	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(638)	(20)	—
Other non-operating income, net	(1,084)	—	—
Same store NOI at share for the three months ended March 31, 2017	<u>\$ 275,221</u>	<u>\$ 25,900</u>	<u>\$ 12,034</u>
Increase in same store NOI at share for the three months ended March 31, 2018 compared to March 31, 2017	<u>\$ 10,947</u>	<u>\$ 890</u>	<u>\$ 1,477</u>
% increase in same store NOI at share	<u>4.0% <sup>(1)</sup></u>	<u>3.4%</u>	<u>12.3%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share increased by 3.7%.

Same store NOI represents NOI from operations which are owned by us and in service in both the current and prior year reporting periods. Same store NOI - cash basis is NOI from operations before straight-line rental income and expense, amortization of acquired below and above market leases, net and other non-cash adjustments which are owned by us and in service in both the current and prior year reporting periods. We present these non-GAAP measures to (i) facilitate meaningful comparisons of the operational performance of our properties and segments, (ii) make decisions on whether to buy, sell or refinance properties, and (iii) compare the performance of our properties and segments to those of our peers. Same store NOI and same store NOI - cash basis should not be considered as an alternative to net income or cash flow from operations and may not be comparable to similarly titled measures employed by other companies.

**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS - CONTINUED**

Below are reconciliations of NOI - cash basis to same store NOI - cash basis for our New York segment, theMART and 555 California Street for the three months ended March 31, 2018 compared to March 31, 2017.

(Amounts in thousands)	New York	theMART	555 California Street
NOI at share - cash basis for the three months ended March 31, 2018	\$ 271,273	\$ 27,079	\$ 12,826
Less NOI at share - cash basis from:			
Acquisitions	(200)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(603)	—	—
Lease termination income	(1,061)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share - cash basis for the three months ended March 31, 2018	<u>\$ 268,870</u>	<u>\$ 26,994</u>	<u>\$ 12,826</u>
NOI at share - cash basis for the three months ended March 31, 2017	\$ 258,783	\$ 24,532	\$ 11,325
Less NOI at share - cash basis from:			
Acquisitions	—	31	—
Dispositions	(228)	—	—
Development properties placed into and out of service	106	—	—
Lease termination income	(3,030)	(31)	—
Other non-operating income, net	(1,029)	—	—
Same store NOI at share - cash basis for the three months ended March 31, 2017	<u>\$ 254,602</u>	<u>\$ 24,532</u>	<u>\$ 11,325</u>
Increase in same store NOI at share - cash basis for the three months ended March 31, 2018 compared to March 31, 2017	<u>\$ 14,268</u>	<u>\$ 2,462</u>	<u>\$ 1,501</u>
% increase in same store NOI at share - cash basis	<u>5.6% <sup>(1)</sup></u>	<u>10.0%</u>	<u>13.3%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis increased by 5.3%.

**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS - CONTINUED**

Below are reconciliations of NOI to same store NOI for our New York segment, theMART and 555 California Street for the three months ended March 31, 2018 compared to December 31, 2017.

(Amounts in thousands)	New York	theMART	555 California Street
NOI at share for the three months ended March 31, 2018	\$ 288,596	\$ 26,875	\$ 13,511
Less NOI at share from:			
Acquisitions	(109)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(412)	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(1,127)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share for the three months ended March 31, 2018	<u>\$ 286,409</u>	<u>\$ 26,790</u>	<u>\$ 13,511</u>
NOI at share for the three months ended December 31, 2017	\$ 304,228	\$ 24,249	\$ 12,003
Less NOI at share from:			
Acquisitions	2	(46)	—
Dispositions	(8)	—	—
Development properties placed into and out of service	309	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(984)	—	—
Other non-operating income, net	(16)	—	—
Same store NOI at share for the three months ended December 31, 2017	<u>\$ 303,531</u>	<u>\$ 24,203</u>	<u>\$ 12,003</u>
(Decrease) increase in same store NOI at share for the three months ended March 31, 2018 compared to December 31, 2017	<u>\$ (17,122)</u>	<u>\$ 2,587</u>	<u>\$ 1,508</u>
% (decrease) increase in same store NOI at share	<u>(5.6)% <sup>(1)</sup></u>	<u>10.7% <sup>(2)</sup></u>	<u>12.6%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share decreased by 2.2%.

(2) Excluding tradeshow seasonality, same store NOI at share decreased by 0.7%.



**VORNADO REALTY TRUST**  
**NON-GAAP RECONCILIATIONS - CONTINUED**

Below are reconciliations of NOI - cash basis to same store NOI - cash basis for our New York segment, theMART and 555 California Street for the three months ended March 31, 2018 compared to December 31, 2017.

(Amounts in thousands)	New York	theMART	555 California Street
NOI at share - cash basis for the three months ended March 31, 2018	\$ 271,273	\$ 27,079	\$ 12,826
Less NOI at share - cash basis from:			
Acquisitions	(109)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(603)	—	—
Lease termination income	(1,061)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share - cash basis for the three months ended March 31, 2018	<u>\$ 268,961</u>	<u>\$ 26,994</u>	<u>\$ 12,826</u>
NOI at share - cash basis for the three months ended December 31, 2017	\$ 282,787	\$ 24,396	\$ 11,916
Less NOI at share - cash basis from:			
Acquisitions	2	(46)	—
Dispositions	(8)	—	—
Development properties placed into and out of service	253	—	—
Lease termination income	(1,393)	—	—
Other non-operating income, net	(16)	—	—
Same store NOI at share - cash basis for the three months ended December 31, 2017	<u>\$ 281,625</u>	<u>\$ 24,350</u>	<u>\$ 11,916</u>
(Decrease) increase in same store NOI at share - cash basis for the three months ended March 31, 2018 compared to December 31, 2017	<u>\$ (12,664)</u>	<u>\$ 2,644</u>	<u>\$ 910</u>
% (decrease) increase in same store NOI at share - cash basis	<u>(4.5)% <sup>(1)</sup></u>	<u>10.9% <sup>(2)</sup></u>	<u>7.6%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis decreased by 0.8%.

(2) Excluding tradeshow seasonality, same store NOI at share - cash basis decreased by 0.5%.



# VORNADO

REALTY TRUST

SUPPLEMENTAL OPERATING  
AND FINANCIAL DATA  
For the Quarter Ended March 31, 2018

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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. Forward-looking statements are not guarantees of performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this supplemental package. We also note the following forward-looking statements: in the case of our development and redevelopment projects, the estimated completion date, estimated project cost and cost to complete; and estimates of future capital expenditures, dividends to common and preferred shareholders and operating partnership distributions. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict. For further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this supplemental package. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of our Annual Report on Form 10-K, or Quarterly Report on Form 10-Q, as applicable, and this supplemental package.

## FINANCIAL SUPPLEMENT DEFINITIONS

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The financial supplement includes various non-GAAP financial measures. Descriptions of these non-GAAP measures are provided below. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are provided in *Appendix: Non-GAAP Reconciliations*.

**Net Operating Income ("NOI")** - NOI represents total revenues less operating expenses. We consider NOI to be the primary non-GAAP financial measure for making decisions and assessing the unlevered performance of our segments as it relates to the total return on assets as opposed to the levered return on equity. As properties are bought and sold based on NOI, we utilize this measure to make investment decisions as well as to compare the performance of our assets to that of our peers. NOI should not be considered a substitute for net income. NOI may not be comparable to similarly titled measures employed by other companies. We calculate NOI on an Operating Partnership basis which is before allocation to the noncontrolling interest of the Operating Partnership.

**Funds From Operations ("FFO")** - FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as GAAP net income or loss adjusted to exclude net gains from sales of depreciated real estate assets, real estate impairment losses, depreciation and amortization expense from real estate assets and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are non-GAAP financial measures used by management, investors and analysts to facilitate meaningful comparisons of operating performance between periods and among our peers because it excludes the effect of real estate depreciation and amortization and net gains on sales, which are based on historical costs and implicitly assume that the value of real estate diminishes predictably over time, rather than fluctuating based on existing market conditions. FFO does not represent cash generated from operating activities and is not necessarily indicative of cash available to fund cash requirements and should not be considered as an alternative to net income as a performance measure or cash flow as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies.

**Funds Available For Distribution ("FAD")** - FAD is defined as FFO less (i) cash basis recurring tenant improvements, leasing commissions and capital expenditures, (ii) straight-line rents and amortization of acquired below-market leases, net, and (iii) other non-cash income, plus (iv) other non-cash charges. FAD is a non-GAAP financial measure that is not intended to represent cash flow and is not indicative of cash flow provided by operating activities as determined in accordance with GAAP. FAD is presented solely as a supplemental disclosure that management believes provides useful information regarding the Company's ability to fund its dividends.

## INVESTOR INFORMATION

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### Executive Officers:

Steven Roth	Chairman of the Board and Chief Executive Officer
David R. Greenbaum	President - New York Division
Michael J. Franco	Executive Vice President - Chief Investment Officer
Joseph Macnow	Executive Vice President - Chief Financial Officer and Chief Administrative Officer

### RESEARCH COVERAGE - EQUITY

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James Feldman/Kimberly Hong <u>Bank of America/Merrill Lynch</u> 646-855-5808/646-556-3329	Steve Sakwa/Robert Simone <u>Evercore ISI</u> 212-446-9462/212-446-9459	John W. Guinee/Aaron Wolf <u>Stifel Nicolaus &amp; Company</u> 443-224-1307/443-224-1206
Ross Smotrich/Trevor Young <u>Barclays Capital</u> 212-526-2306/212-526-3098	Jed Reagan/Daniel Ismail <u>Green Street Advisors</u> 949-640-8780	Michael Lewis <u>SunTrust Robinson Humphrey</u> 212-319-5659
John P. Kim/Alex Nelson <u>BMO Capital Markets</u> 212-885-4115/212-885-4144	Anthony Paolone <u>JP Morgan</u> 212-622-6682	Nick Yulico/Frank Lee <u>UBS</u> 212-713-3402/415-352-5679
Michael Bilerman/Emmanuel Korchman <u>Citi</u> 212-816-1383/212-816-1382	Vikram Malhotra/Adam J. Gabalski <u>Morgan Stanley</u> 212-761-7064/212-761-8051	
Vincent Chao/Mike Hussein <u>Deutsche Bank</u> 212-250-6799/212-250-7703	Alexander Goldfarb/Daniel Santos <u>Sandler O'Neill</u> 212-466-7937/212-466-7927	

### RESEARCH COVERAGE - DEBT

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Andrew Molloy <u>Bank of America/Merrill Lynch</u> 646-855-6435	Jesse Rosenthal <u>CreditSights</u> 212-340-3816	Thierry Perrein <u>Wells Fargo Securities</u> 704-410-3262
Cristina Rosenberg <u>Citi</u> 212-723-6199	Mark Streeter <u>JP Morgan</u> 212-834-5086	

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This information is provided as a service to interested parties and not as an endorsement of any report, or representation as to the accuracy of any information contained therein. Opinions, forecasts and other forward-looking statements expressed in analysts' reports are subject to change without notice.

## 2018 BUSINESS DEVELOPMENTS

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### Acquisition Activity

#### *537 West 26th Street*

On February 9, 2018, we acquired 537 West 26th Street, a 14,000 square foot commercial property adjacent to our 260 Eleventh Avenue office property and 55,000 square feet of additional zoning air rights, for \$44,000,000.

### Disposition Activity

#### *11 East 68th Street*

On January 17, 2018, Vornado Capital Partners Real Estate Fund (the "Fund") completed the sale of the retail condominium at 11 East 68th Street, a property located on Madison Avenue and 68th Street, for \$82,000,000. From the inception of this investment through its disposition, the Fund realized a \$46,259,000 net gain.

### Financing Activities

On January 4 and 11, 2018, we redeemed all of the outstanding 6.625% Series G and Series I cumulative redeemable preferred shares at their redemption price of \$25.00 per share, or \$470,000,000 in the aggregate, plus accrued and unpaid dividends through the date of redemption, and expensed \$14,486,000 of previously capitalized issuance costs.

On January 5, 2018, we completed a \$100,000,000 refinancing of 33-00 Northern Boulevard (Center Building), a 471,000 square foot office building in Long Island City, New York. The seven-year loan is at LIBOR plus 1.80%, which was swapped to a fixed rate of 4.14%. We realized net proceeds of approximately \$37,200,000 after repayment of the existing 4.43% \$59,800,000 mortgage and closing costs.

### First Quarter Leasing Activity

424,000 square feet of New York Office space (359,000 square feet at share) at an initial rent of \$82.07 per square foot and a weighted average term of 10.5 years. The GAAP and cash mark-to-markets on the 285,000 square feet of second generation space were positive 62.5% and 50.3%, respectively. Excluding a 77,000 square foot lease at 770 Broadway, the GAAP and cash mark-to-markets were positive 20.2% and 12.5%, respectively. Tenant improvements and leasing commissions were \$9.33 per square foot per annum, or 11.4% of initial rent.

77,000 square feet of New York Retail space (all at share and all second generation) at an initial rent of \$212.03 per square foot and a weighted average term of 4.5 years. The GAAP and cash mark-to-markets were negative 12.3% and 20.1%, respectively. Excluding a 43,000 square foot lease at 435 Seventh Avenue, the GAAP and cash mark-to-markets were positive 19.2% and 4.9%, respectively. Tenant improvements and leasing commissions were \$14.06 per square foot per annum, or 6.6% of initial rent.

119,000 square feet at theMART (all at share) at an initial rent of \$50.39 per square foot and a weighted average term of 5.7 years. The GAAP and cash mark-to-markets on the 113,000 square feet of second generation space were positive 36.6% and 28.0%, respectively. Tenant improvements and leasing commissions were \$4.19 per square foot per annum, or 8.3% of initial rent.

89,000 square feet at 555 California Street (62,000 square feet at share) at an initial rent of \$85.89 per square foot and a weighted average term of 7.1 years. The GAAP and cash mark-to-markets on the 30,000 square feet of second generation space were positive 39.3% and 17.0%, respectively. Tenant improvements and leasing commissions were \$11.64 per square foot per annum, or 13.6% of initial rent.

**COMMON SHARES DATA (NYSE: VNO)**

(unaudited)

Vornado Realty Trust common shares are traded on the New York Stock Exchange ("NYSE") under the symbol VNO. Below is a summary of performance and dividends for VNO common shares (based on NYSE prices):

	<b>First Quarter 2018</b>	<b>Fourth Quarter 2017</b>	<b>Third Quarter 2017</b>	<b>Second Quarter 2017</b>
High price	\$ 78.31 <sup>(1)</sup>	\$ 80.30 <sup>(1)</sup>	\$ 97.25	\$ 103.35
Low price	\$ 64.13 <sup>(1)</sup>	\$ 71.90 <sup>(1)</sup>	\$ 72.77 <sup>(1)</sup>	\$ 91.18
Closing price - end of quarter	\$ 67.30 <sup>(1)</sup>	\$ 78.18 <sup>(1)</sup>	\$ 76.88 <sup>(1)</sup>	\$ 93.90
Annualized dividend per share	\$ 2.52 <sup>(1)</sup>	\$ 2.40 <sup>(1)</sup>	\$ 2.40 <sup>(1)</sup>	\$ 2.84
JBGS annualized dividend per share	0.45 <sup>(2)</sup>	0.45 <sup>(2)</sup>	0.45 <sup>(2)</sup>	—
	<u>\$ 2.97</u>	<u>\$ 2.85</u>	<u>\$ 2.85</u>	<u>\$ 2.84</u>
Annualized dividend yield - on closing price	3.7%	3.1%	3.1%	3.0%
Outstanding shares, Class A units and convertible preferred units as converted, excluding stock options (in thousands)	203,613	203,198	203,138	202,518
Closing market value of outstanding shares, Class A units and convertible preferred units as converted, excluding stock options	\$ 13.7 Billion	\$ 15.9 Billion	\$ 15.6 Billion	\$ 19.0 Billion

(1) Reflects the July 17, 2017 spin-off of JBG SMITH Properties (NYSE: JBGS).

(2) JBGS annualized dividend of \$0.90 per common share, adjusted for the 1:2 spin-off distribution.

## FINANCIAL HIGHLIGHTS

(unaudited and in thousands, except per share amounts)

	Three Months Ended		
	March 31,		
	2018	2017	December 31, 2017
Total revenues	\$ 536,437	\$ 508,058	\$ 536,226
Net (loss) income attributable to common shareholders	\$ (17,841)	\$ 47,752	\$ 27,319
Per common share:			
Basic	\$ (0.09)	\$ 0.25	\$ 0.14
Diluted	\$ (0.09)	\$ 0.25	\$ 0.14
Net income attributable to common shareholders, as adjusted (non-GAAP)	\$ 56,388	\$ 46,873	\$ 65,479
Per diluted share (non-GAAP)	\$ 0.30	\$ 0.25	\$ 0.34
FFO attributable to common shareholders plus assumed conversions, as adjusted (non-GAAP)	\$ 173,842	\$ 160,105	\$ 187,553
Per diluted share (non-GAAP)	\$ 0.91	\$ 0.84	\$ 0.98
FFO attributable to common shareholders plus assumed conversions (non-GAAP)	\$ 102,479	\$ 205,729	\$ 153,151
FFO - Operating Partnership Basis ("OP Basis") (non-GAAP)	\$ 109,418	\$ 219,513	\$ 163,523
Per diluted share (non-GAAP)	\$ 0.54	\$ 1.08	\$ 0.80
Dividends per common share	\$ 0.63	\$ 0.71	\$ 0.60
FFO payout ratio (based on FFO attributable to common shareholders plus assumed conversions, as adjusted)	69.2%	84.5%	61.2%
FAD payout ratio	90.0%	94.7%	90.9%
Weighted average shares used in determining FFO attributable to common shareholders plus assumed conversions per diluted share (REIT basis)	191,057	190,412	191,063
Convertible units:			
Class A	11,848	11,634	11,677
D-13	678	445	615
G1-G4	58	39	50
Equity awards - unit equivalents	353	640	598
Weighted average shares used in determining FFO attributable to Class A unitholders plus assumed conversions per diluted share (OP Basis)	203,994	203,170	204,003



**TRAILING TWELVE MONTH PRO-FORMA CASH NET OPERATING INCOME**

(unaudited and in thousands)

	Trailing Twelve Months Ended March 31, 2018			Year Ended December 31, 2017
	NOI - cash basis	Less: BMS	Pro-forma NOI - cash basis	Pro-forma NOI - cash basis
New York - Office	\$ 690,699	\$ (24,690)	\$ 666,009	\$ 654,839
New York - Retail	324,488	—	324,488	324,318
New York - Residential	21,683	—	21,683	21,626
theMART	101,789	—	101,789	99,242
555 California Street	46,782	—	46,782 <sup>(1)</sup>	45,281 <sup>(1)</sup>
	<u>\$ 1,185,441</u>	<u>\$ (24,690)</u>	<u>\$ 1,160,751</u>	<u>\$ 1,145,306</u>

(1) Excludes incremental NOI from the lease-up of 345 Montgomery Street.

**CONSOLIDATED NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS**

(unaudited and in thousands)

	Three Months Ended			
	March 31,			December 31,
	2018	2017	Inc (Dec)	2017
Property rentals	\$ 422,099	\$ 391,920	\$ 30,179	\$ 419,970
Straight-lining of rents	7,430	11,856	(4,426)	8,040
Amortization of acquired below-market leases, net	10,581	11,116	(535)	11,345
Total property rentals	440,110	414,892	25,218	439,355
Tenant expense reimbursements	60,310	59,033	1,277	59,333
Fee and other income:				
BMS cleaning fees	28,355	25,071	3,284	28,218
Management and leasing fees	2,764	2,275	489	2,705
Lease termination fees	345	3,850	(3,505)	2,224
Other income	4,553	2,937	1,616	4,391
Total revenues	536,437	508,058	28,379	536,226
Operating expenses	237,602	220,659	16,943	225,011
Depreciation and amortization	108,686	105,128	3,558	114,166
General and administrative	43,633	47,237	(3,604)	35,139
(Income) expense from deferred compensation plan liability	(404)	2,469	(2,873)	1,699
Transaction related costs and other	13,156	752	12,404	703
Total expenses	402,673	376,245	26,428	376,718
Operating income	133,764	131,813	1,951	159,508
(Loss) income from partially owned entities	(9,904)	1,358	(11,262)	9,622
(Loss) income from real estate fund investments	(8,807)	268	(9,075)	4,889
Interest and other investment (loss) income, net	(24,384)	6,695	(31,079)	8,294
(Loss) income from deferred compensation plan assets	(404)	2,469	(2,873)	1,699
Interest and debt expense	(88,166)	(82,724)	(5,442)	(93,073)
Net gains on disposition of wholly owned and partially owned assets	—	501	(501)	—
Income before income taxes	2,099	60,380	(58,281)	90,939
Income tax expense	(1,454)	(1,851)	397	(38,661)
Income from continuing operations	645	58,529	(57,884)	52,278
(Loss) income from discontinued operations	(363)	15,318	(15,681)	1,273
Net income	282	73,847	(73,565)	53,551
Less net loss (income) attributable to noncontrolling interests in:				
Consolidated subsidiaries	8,274	(6,737)	15,011	(7,366)
Operating Partnership	1,124	(3,229)	4,353	(1,853)
Net income attributable to Vornado	9,680	63,881	(54,201)	44,332
Preferred share dividends	(13,035)	(16,129)	3,094	(17,013)
Preferred share issuance costs	(14,486)	—	(14,486)	—
Net (loss) income attributable to common shareholders	\$ (17,841)	\$ 47,752	\$ (65,593)	\$ 27,319
Capitalized expenditures:				
Leasing payroll	\$ 1,348	\$ 974	\$ 374	\$ 1,749
Development payroll	1,709	1,173	536	1,710
Interest and debt expense	14,726	10,815	3,911	13,251

**NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS BY SEGMENT**

(unaudited and in thousands)

	Three Months Ended March 31, 2018		
	Total	New York	Other
Property rentals	\$ 422,099	\$ 343,045	\$ 79,054
Straight-lining of rents	7,430	6,019	1,411
Amortization of acquired below-market leases, net	10,581	10,282	299
Total property rentals	440,110	359,346	80,764
Tenant expense reimbursements	60,310	54,490	5,820
Fee and other income:			
BMS cleaning fees	28,355	30,153	(1,798)
Management and leasing fees	2,764	2,481	283
Lease termination fees	345	308	37
Other income	4,553	1,706	2,847
Total revenues	536,437	448,484	87,953
Operating expenses	237,602	197,916	39,686
Depreciation and amortization	108,686	87,150	21,536
General and administrative	43,633	11,116	32,517
Income from deferred compensation plan liability	(404)	—	(404)
Transaction related costs and other	13,156	13,103	53
Total expenses	402,673	309,285	93,388
Operating income (loss)	133,764	139,199	(5,435)
Loss from partially owned entities	(9,904)	(6,938)	(2,966)
Loss from real estate fund investments	(8,807)	—	(8,807)
Interest and other investment (loss) income, net	(24,384)	1,258	(25,642)
Loss from deferred compensation plan assets	(404)	—	(404)
Interest and debt expense	(88,166)	(62,209)	(25,957)
Income (loss) before income taxes	2,099	71,310	(69,211)
Income tax expense	(1,454)	(1,041)	(413)
Income (loss) from continuing operations	645	70,269	(69,624)
Loss from discontinued operations	(363)	—	(363)
Net income (loss)	282	70,269	(69,987)
Less net loss attributable to noncontrolling interests in:			
Consolidated subsidiaries	8,274	3,669	4,605
Operating Partnership	1,124	—	1,124
Net income (loss) attributable to Vornado	9,680	73,938	(64,258)
Preferred share dividends	(13,035)	—	(13,035)
Preferred share issuance costs	(14,486)	—	(14,486)
Net (loss) income attributable to common shareholders for the three months ended March 31, 2018	\$ (17,841)	\$ 73,938	\$ (91,779)
Net income (loss) attributable to common shareholders for the three months ended March 31, 2017	\$ 47,752	\$ 94,020	\$ (46,268)

**NET OPERATING INCOME AT SHARE BY SEGMENT**

(unaudited and in thousands)

	<b>For the Three Months Ended March 31, 2018</b>		
	<b>Total</b>	<b>New York</b>	<b>Other</b>
Total revenues	\$ 536,437	\$ 448,484	\$ 87,953
Operating expenses	237,602	197,916	39,686
NOI - consolidated	298,835	250,568	48,267
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,312)	(11,745)	(5,567)
Add: Our share of NOI from partially owned entities	67,513	49,773	17,740
NOI at share	349,036	288,596	60,440
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(17,948)	(17,323)	(625)
NOI at share - cash basis	<u>\$ 331,088</u>	<u>\$ 271,273</u>	<u>\$ 59,815</u>
	<b>For the Three Months Ended March 31, 2017</b>		
	<b>Total</b>	<b>New York</b>	<b>Other</b>
Total revenues	\$ 508,058	\$ 426,239	\$ 81,819
Operating expenses	220,659	183,107	37,552
NOI - consolidated	287,399	243,132	44,267
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(16,338)	(11,439)	(4,899)
Add: Our share of NOI from partially owned entities	66,097	45,462	20,635
NOI at share	337,158	277,155	60,003
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(20,481)	(18,372)	(2,109)
NOI at share - cash basis	<u>\$ 316,677</u>	<u>\$ 258,783</u>	<u>\$ 57,894</u>
	<b>For the Three Months Ended December 31, 2017</b>		
	<b>Total</b>	<b>New York</b>	<b>Other</b>
Total revenues	\$ 536,226	\$ 462,597	\$ 73,629
Operating expenses	225,011	195,421	29,590
NOI - consolidated	311,215	267,176	44,039
Deduct: NOI attributable to noncontrolling interests in consolidated subsidiaries	(16,533)	(11,648)	(4,885)
Add: Our share of NOI from partially owned entities	69,175	48,700	20,475
NOI at share	363,857	304,228	59,629
Non-cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(21,579)	(21,441)	(138)
NOI at share - cash basis	<u>\$ 342,278</u>	<u>\$ 282,787</u>	<u>\$ 59,491</u>

See appendix page vi for details of NOI components.

**NET OPERATING INCOME AT SHARE BY SUBSEGMENT**

(unaudited and in thousands)

	For the Three Months Ended		
	March 31,		December 31,
	2018	2017	2017
<b>NOI at share:</b>			
New York:			
Office	\$ 187,156	\$ 174,724	\$ 189,481
Retail	87,909	89,048	90,853
Residential	6,141	6,278	5,920
Alexander's	11,575	11,743	11,656
Hotel Pennsylvania	(4,185)	(4,638)	6,318
Total New York	<u>288,596</u>	<u>277,155</u>	<u>304,228</u>
Other:			
theMART	26,875	25,889	24,249
555 California Street	13,511	12,034	12,003
Other investments	20,054	22,080	23,377
Total Other	<u>60,440</u>	<u>60,003</u>	<u>59,629</u>
Total NOI at share	<u>\$ 349,036</u>	<u>\$ 337,158</u>	<u>\$ 363,857</u>
<b>NOI at share - cash basis:</b>			
New York:			
Office	\$ 178,199	\$ 166,339	\$ 175,787
Retail	79,589	79,419	83,320
Residential	5,599	5,542	5,325
Alexander's	12,039	12,088	12,004
Hotel Pennsylvania	(4,153)	(4,605)	6,351
Total New York	<u>271,273</u>	<u>258,783</u>	<u>282,787</u>
Other:			
theMART	27,079	24,532	24,396
555 California Street	12,826	11,325	11,916
Other investments	19,910	22,037	23,179
Total Other	<u>59,815</u>	<u>57,894</u>	<u>59,491</u>
Total NOI at share - cash basis	<u>\$ 331,088</u>	<u>\$ 316,677</u>	<u>\$ 342,278</u>

## CONSOLIDATED BALANCE SHEETS

(unaudited and in thousands)

	As of		Increase (Decrease)
	March 31, 2018	December 31, 2017	
<b>ASSETS</b>			
Real estate, at cost:			
Land	\$ 3,170,158	\$ 3,143,648	\$ 26,510
Buildings and improvements	9,946,225	9,898,605	47,620
Development costs and construction in progress	1,705,244	1,615,101	90,143
Leasehold improvements and equipment	104,710	98,941	5,769
Total	14,926,337	14,756,295	170,042
Less accumulated depreciation and amortization	(2,962,983)	(2,885,283)	(77,700)
Real estate, net	11,963,354	11,871,012	92,342
Cash and cash equivalents	1,327,384	1,817,655	(490,271)
Restricted cash	90,684	97,157	(6,473)
Marketable securities	149,766	182,752	(32,986)
Tenant and other receivables, net	64,387	58,700	5,687
Investments in partially owned entities	1,033,228	1,056,829	(23,601)
Real estate fund investments	336,552	354,804	(18,252)
Receivable arising from the straight-lining of rents, net	934,535	926,711	7,824
Deferred leasing costs, net	405,209	403,492	1,717
Identified intangible assets, net	152,834	159,260	(6,426)
Assets related to discontinued operations	275	1,357	(1,082)
Other assets	406,275	468,205	(61,930)
Total Assets	<u>\$ 16,864,483</u>	<u>\$ 17,397,934</u>	<u>\$ (533,451)</u>
<b>LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY</b>			
Liabilities:			
Mortgages payable, net	\$ 8,102,238	\$ 8,137,139	\$ (34,901)
Senior unsecured notes, net	843,125	843,614	(489)
Unsecured term loan, net	749,114	748,734	380
Unsecured revolving credit facilities	80,000	—	80,000
Accounts payable and accrued expenses	431,094	415,794	15,300
Deferred revenue	200,648	227,069	(26,421)
Deferred compensation plan	109,525	109,177	348
Liabilities related to discontinued operations	1,176	3,620	(2,444)
Preferred shares redeemed on January 4 and 11, 2018	—	455,514	(455,514)
Other liabilities	465,659	464,635	1,024
Total liabilities	10,982,579	11,405,296	(422,717)
Redeemable noncontrolling interests	857,026	984,937	(127,911)
Vornado shareholders' equity	4,360,092	4,337,652	22,440
Noncontrolling interests in consolidated subsidiaries	664,786	670,049	(5,263)
Total Liabilities, Redeemable Noncontrolling Interests and Equity	<u>\$ 16,864,483</u>	<u>\$ 17,397,934</u>	<u>\$ (533,451)</u>

## CAPITAL STRUCTURE

(unaudited and in thousands, except per share and unit amounts)

March 31, 2018

### Debt (contractual balances) (non-GAAP):

Consolidated debt <sup>(1)</sup> :	
Mortgages payable	\$ 8,164,718
Senior unsecured notes	850,000
\$750 Million unsecured term loan	750,000
\$2.5 Billion unsecured revolving credit facilities	80,000
	<u>9,844,718</u>
Pro rata share of debt of non-consolidated entities (excluding \$1,673,728 of Toys' debt)	3,459,655
Less: Noncontrolling interests' share of consolidated debt (primarily 1290 Avenue of the Americas, 555 California Street, and St. Regis - retail)	<u>(602,715)</u>
	<u>12,701,658</u>

	Shares/Units	Par Value	
<b>Perpetual Preferred:</b>			
5.00% preferred unit (D-16) (1 unit @ \$1,000,000 per unit)			1,000
3.25% preferred units (D-17) (177,100 units @ \$25 per unit)			4,428
5.70% Series K preferred shares	12,000	\$ 25.00	300,000
5.40% Series L preferred shares	12,000	25.00	300,000
5.25% Series M preferred shares	12,780	25.00	319,500
			<u>924,928</u>

	Converted Shares	March 31, 2018 Common Share Price	
<b>Equity:</b>			
Common shares	190,169	\$ 67.30	12,798,374
Class A units	11,895	67.30	800,534
Convertible share equivalents:			
Equity awards - unit equivalents	759	67.30	51,081
D-13 preferred units	694	67.30	46,706
G1-G4 units	58	67.30	3,903
Series A preferred shares	38	67.30	2,557
			<u>13,703,155</u>
<b>Total Market Capitalization</b>			<b>\$ 27,329,741</b>

(1) See reconciliation of consolidated debt, net (GAAP) to contractual debt (non-GAAP) on page xi in *Appendix: Non-GAAP Reconciliations*.

## DEBT ANALYSIS

(unaudited and in thousands)

	As of March 31, 2018					
	Total		Variable		Fixed	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
(Contractual debt balances) (non-GAAP)						
Consolidated debt <sup>(1)</sup>	\$ 9,844,718	3.56%	\$ 3,982,692	3.47%	\$ 5,862,026	3.63%
Pro rata share of debt of non-consolidated entities:						
Toys	1,673,728	9.58%	1,077,782	9.29%	595,946	10.10%
All other	3,459,655	4.26%	1,415,799	3.54%	2,043,856	4.75%
Total	14,978,101	4.40%	6,476,273	4.46%	8,501,828	4.35%
Less: Noncontrolling interests' share of consolidated debt (primarily 1290 Avenue of the Americas, 555 California Street, and St. Regis - retail)	(602,715)		(147,709)		(455,006)	
Company's pro rata share of total debt	<u>\$ 14,375,386</u>	4.42%	<u>\$ 6,328,564</u>	4.48%	<u>\$ 8,046,822</u>	4.37%

### Debt Covenant Ratios:<sup>(2)</sup>

	Senior Unsecured Notes				Unsecured Revolving Credit Facilities and Unsecured Term Loan	
	Required	Actual		Required	Actual	
		Due 2022	Due 2025			
Total outstanding debt/total assets <sup>(3)</sup>	Less than 65%	51%	49%	Less than 60%	39%	
Secured debt/total assets	Less than 50%	41%	39%	Less than 50%	31%	
Interest coverage ratio (annualized combined EBITDA to annualized interest expense)	Greater than 1.50	2.55	2.55		N/A	
Fixed charge coverage		N/A	N/A	Greater than 1.40	2.44	
Unencumbered assets/unsecured debt	Greater than 150%	389%	409%		N/A	
Unsecured debt/cap value of unencumbered assets		N/A	N/A	Less than 60%	20%	
Unencumbered coverage ratio		N/A	N/A	Greater than 1.50	7.87	

### Unencumbered EBITDA (non-GAAP):

	Q1 2018	
	Annualized	
New York	\$	413,684
Other		35,336
Total	<u>\$</u>	<u>449,020</u>

(1) See reconciliation of consolidated debt, net (GAAP) to contractual debt (non-GAAP) on page xi in *Appendix: Non-GAAP Reconciliations*.

(2) Our debt covenant ratios are computed in accordance with the terms of our senior unsecured notes, unsecured revolving credit facilities, and unsecured term loan, as applicable. The methodology used for these computations may differ significantly from similarly titled ratios of other companies. For additional information regarding the methodology used to compute these ratios, please see our filings with the SEC of our revolving credit facilities, senior debt indentures and applicable prospectuses and prospectus supplements.

(3) Total assets include EBITDA capped at 7.5% under the senior unsecured notes due 2022, 7.0% under the senior unsecured notes due 2025 and 6.0% under the unsecured revolving credit facilities and unsecured term loan.



**DEBT MATURITIES (CONTRACTUAL BALANCES) (NON-GAAP)**

(unaudited and in thousands)

Property	Maturity Date <sup>(1)</sup>	Spread over LIBOR	Interest Rate	2018	2019	2020	2021	2022	Thereafter	Total
435 Seventh Avenue - retail	08/19	L+225	4.06%	\$ —	\$ 96,538	\$ —	\$ —	\$ —	\$ —	\$ 96,538
4 Union Square South - retail	11/19	L+215	3.82%	—	113,495	—	—	—	—	113,495
150 West 34th Street	06/20	L+225	3.95%	—	—	205,000	—	—	—	205,000
100 West 33rd Street - office and retail	07/20	L+165	3.34%	—	—	580,000	—	—	—	580,000
220 Central Park South	09/20	L+200	3.89%	—	—	950,000	—	—	—	950,000
Unsecured Term Loan	10/20	L+115	3.02%	—	—	750,000	—	—	—	750,000
Eleven Penn Plaza	12/20		3.95%	—	—	450,000	—	—	—	450,000
888 Seventh Avenue	12/20		3.15% <sup>(2)</sup>	—	—	375,000	—	—	—	375,000
Borgata Land	02/21		5.14%	—	—	—	55,338	—	—	55,338
770 Broadway	03/21		2.56% <sup>(3)</sup>	—	—	—	700,000	—	—	700,000
909 Third Avenue	05/21		3.91%	—	—	—	350,000	—	—	350,000
606 Broadway	05/21	L+300	4.74%	—	—	—	42,659	—	—	42,659
555 California Street	09/21		5.10%	—	—	—	566,688	—	—	566,688
theMART	09/21		2.70%	—	—	—	675,000	—	—	675,000
655 Fifth Avenue	10/21	L+140	3.06%	—	—	—	140,000	—	—	140,000
Two Penn Plaza	12/21	L+165	3.31%	—	—	—	575,000	—	—	575,000
Senior unsecured notes due 2022	01/22		5.00%	—	—	—	—	400,000	—	400,000
\$1.25 Billion unsecured revolving credit facility	02/22	L+100	—%	—	—	—	—	—	—	—
1290 Avenue of the Americas	11/22		3.34%	—	—	—	—	950,000	—	950,000
697-703 Fifth Avenue (St. Regis - retail)	12/22	L+180	3.46%	—	—	—	—	450,000	—	450,000
\$1.25 Billion unsecured revolving credit facility	01/23	L+100	2.72%	—	—	—	—	—	80,000	80,000
666 Fifth Avenue Retail Condominium	03/23		3.61%	—	—	—	—	—	390,000	390,000
33-00 Northern Boulevard	01/25		4.14% <sup>(4)</sup>	—	—	—	—	—	100,000	100,000
Senior unsecured notes due 2025	01/25		3.50%	—	—	—	—	—	450,000	450,000
350 Park Avenue	01/27		3.92%	—	—	—	—	—	400,000	400,000
<b>Total consolidated debt (contractual)</b>				<b>\$ —</b>	<b>\$ 210,033</b>	<b>\$ 3,310,000</b>	<b>\$ 3,104,685</b>	<b>\$ 1,800,000</b>	<b>\$ 1,420,000</b>	<b>\$ 9,844,718</b>
<b>Weighted average rate</b>				<b>—%</b>	<b>3.93%</b>	<b>3.52%</b>	<b>3.44%</b>	<b>3.74%</b>	<b>3.65%</b>	<b>3.56%</b>
Fixed rate debt				\$ —	\$ —	\$ 825,000	\$ 2,347,026	\$ 1,350,000	\$ 1,340,000	\$ 5,862,026
Fixed weighted average rate expiring				—%	—%	3.59%	3.47%	3.83%	3.70%	3.63%
Floating rate debt				\$ —	\$ 210,033	\$ 2,485,000	\$ 757,659	\$ 450,000	\$ 80,000	\$ 3,982,692
Floating weighted average rate expiring				—%	3.93%	3.50%	3.35%	3.46%	2.72%	3.47%

(1) Represents the extended maturity for certain loans in which we have the unilateral right to extend.

(2) Pursuant to an existing swap agreement, the loan bears interest at 3.15% through December 2020. The rate was swapped from LIBOR plus 1.60% (3.26% as of March 31, 2018).

(3) Pursuant to an existing swap agreement, the loan bears interest at 2.56% through September 2020. The rate was swapped from LIBOR plus 1.75% (3.45% as of March 31, 2018).

(4) Pursuant to an existing swap agreement, the loan bears interest at 4.14% through January 2025. The rate was swapped from LIBOR plus 1.80% (3.52% as of March 31, 2018).

## UNCONSOLIDATED JOINT VENTURES

(unaudited and in thousands)

Joint Venture Name	Asset Category	Percentage Ownership at March 31, 2018	Company's Carrying Amount	Company's Pro rata Share of Debt <sup>(1)</sup>	100% of Joint Venture Debt <sup>(1)</sup>	Maturity Date	Spread over LIBOR	Interest Rate
Alexander's, Inc. ("Alexander's")	Office/Retail	32.4%	\$ 116,078	\$ 405,476	\$ 1,251,469	Various	Various	Various
Pennsylvania Real Estate Investment Trust ("PREIT")	Retail	8.0%	65,187	132,772	1,662,439	Various	Various	Various
Urban Edge Properties ("UE")	Retail	4.5%	44,176	71,252	1,578,317	Various	Various	Various
Partially owned office buildings/land:								
One Park Avenue	Office/Retail	55.0%	123,315	165,000	300,000	03/21	L+175	3.45%
280 Park Avenue	Office/Retail	50.0%	120,082	600,000	1,200,000	09/24	L+173	3.45%
650 Madison Avenue	Office/Retail	20.1%	111,182	161,024	800,000	10/20	N/A	4.39%
512 West 22nd Street	Office/Retail	55.0%	60,637	40,714	74,026	11/20	L+265	4.33%
West 57th Street properties	Office/Retail/Land	50.0%	42,771	10,000	20,000	12/22	L+160	3.26%
61 Ninth Avenue	Office/Retail	45.1%	29,583	28,721	63,684	12/21	L+305	4.73%
825 Seventh Avenue	Office	50.0%	8,247	10,250	20,500	06/19	L+140	3.05%
85 Tenth Avenue	Office/Retail	49.9%	(2,170)	311,875	625,000	12/26	N/A	4.55%
Other	Office/Retail	Various	4,088	17,465	50,150	Various	Various	Various
Other equity method investments:								
Independence Plaza	Residential/Retail	50.1%	140,470	275,550	550,000	06/18	N/A	3.48%
Rosslyn Plaza	Office/Residential	43.7% to 50.4%	42,931	20,239	40,148	06/19	L+225	4.10%
Moynihan Office Building	Office/Retail	50.1%	35,769	110,112	219,784	06/21	L+325	4.94%
666 Fifth Avenue Office Condominium	Office/Retail	49.5%	35,760	700,396	1,414,941	02/19	N/A	6.35%
Other	Various	Various	55,122	1,788,537 <sup>(2)</sup>	5,824,788 <sup>(2)</sup>	Various	Various	Various
			<u>\$ 1,033,228</u>	<u>\$ 4,849,383</u>	<u>\$ 15,695,246</u>			
330 Madison Avenue	Office	25.0%	\$ (54,878) <sup>(3)</sup>	\$ 125,000	\$ 500,000	08/24	N/A	3.43%
7 West 34th Street	Office/Retail	53.0%	(47,582) <sup>(4)</sup>	159,000	300,000	06/26	N/A	3.65%
			<u>\$ (102,460)</u>	<u>\$ 284,000</u>	<u>\$ 800,000</u>			

(1) Represents the contractual debt obligations.

(2) Primarily Toys "R" Us, Inc.

(3) Our negative basis resulted from a refinancing distribution and is included in "other liabilities" on our consolidated balance sheets.

(4) Our negative basis resulted from a deferred gain from the sale of a 47.0% ownership interest in the property on May 27, 2016 and is included in "other liabilities" on our consolidated balance sheets.

## UNCONSOLIDATED JOINT VENTURES

(unaudited and in thousands)

Joint Venture Name	Percentage Ownership at March 31, 2018	Our Share of Net (Loss) Income for the Three Months Ended March 31,		Our Share of NOI (non-GAAP) for the Three Months Ended March 31,	
		2018	2017	2018	2017
New York:					
One Park Avenue	55.0%	\$ (4,898) <sup>(1)</sup>	\$ 804	\$ 5,934	\$ 3,686
Alexander's	32.4%	(3,209) <sup>(2)</sup>	6,892	11,575	11,743
Independence Plaza	50.1%	1,484	1,248	5,650	5,530
650 Madison Avenue	20.1%	(1,063)	(1,468)	2,505	2,182
7 West 34th Street	53.0%	1,029	103	3,437	3,386
330 Madison Avenue	25.0%	714	1,343	2,777	2,327
825 Seventh Avenue	50.0%	692	677	846	840
85 Tenth Avenue	49.9%	(553)	555	4,604	4,582
280 Park Avenue	50.0%	(264)	(1,284)	9,490	8,179
West 57th Street properties	50.0%	(81)	(44)	198	253
Moynihan Office Building	50.1%	(19)	—	(19)	—
Other, net	Various	(770)	(722)	1,377	1,385
		(6,938)	8,104	48,374	44,093
Other:					
666 Fifth Avenue Office Condominium	49.5%	(3,492)	(10,197)	5,273	5,366
Alexander's corporate fee income	32.4%	1,208	1,509	1,208	1,507
UE	4.5%	(641)	1,300	2,872	3,290
PREIT	8.0%	(429)	(2,830)	5,721	6,162
Rosslyn Plaza	43.7% to 50.4%	(284)	(55)	1,033	1,172
Suffolk Downs	21.2%	298	(236)	(14)	294
Other, net	Various	374	3,763	1,647	2,844
		(2,966)	(6,746)	17,740	20,635
<b>Total</b>		<b>\$ (9,904)</b>	<b>\$ 1,358</b>	<b>\$ 66,114</b>	<b>\$ 64,728</b>

(1) 2018 includes our \$4,978 share of potential additional Transfer Tax related to the March 2011 acquisition of One Park Avenue.

(2) 2018 includes our \$7,708 share of Alexander's potential additional Transfer Tax.

## SQUARE FOOTAGE

(unaudited and square feet in thousands)

Segment:	At Vornado's Share						
	At 100%	Total	Under Development	In Service			
				Office	Retail	Showroom	Other
New York:							
Office	21,421	17,611	646	16,782	—	183	—
Retail	2,888	2,549	128	—	2,421	—	—
Residential - 1,696 units	1,568	835	—	—	—	—	835
Alexander's (32.4% interest), including 312 residential units	2,437	790	—	288	419	—	83
Hotel Pennsylvania	1,400	1,400	—	—	—	—	1,400
	<u>29,714</u>	<u>23,185</u>	<u>774</u>	<u>17,070</u>	<u>2,840</u>	<u>183</u>	<u>2,318</u>
Other:							
theMART	3,693	3,684	—	2,043	109	1,532	—
555 California Street (70% interest)	1,805	1,264	45	1,188	31	—	—
Other	4,280	2,050	863	212	864	—	111
	<u>9,778</u>	<u>6,998</u>	<u>908</u>	<u>3,443</u>	<u>1,004</u>	<u>1,532</u>	<u>111</u>
Total square feet at March 31, 2018	<u>39,492</u>	<u>30,183</u>	<u>1,682</u>	<u>20,513</u>	<u>3,844</u>	<u>1,715</u>	<u>2,429</u>
Total square feet at December 31, 2017	<u>39,439</u>	<u>30,133</u>	<u>1,568</u>	<u>20,500</u>	<u>3,892</u>	<u>1,744</u>	<u>2,429</u>
Parking Garages (not included above):							
	<b>Square Feet</b>	<b>Number of Garages</b>	<b>Number of Spaces</b>				
New York	1,686	11	4,970				
theMART	558	4	1,651				
555 California Street	168	1	453				
Rossllyn Plaza	411	4	1,094				
Total at March 31, 2018	<u>2,823</u>	<u>20</u>	<u>8,168</u>				

## TOP 30 TENANTS

(unaudited and in thousands, except square feet)

Tenants	Square Footage At Share <sup>(1)</sup>	Annualized Revenues At Share (non-GAAP) <sup>(1)</sup>	% of Annualized Revenues At Share (non-GAAP) <sup>(2)</sup>
IPG and affiliates	923,896	\$ 58,798	2.4%
Facebook	513,896	50,013	2.0%
Swatch Group USA	25,633	40,571	1.6%
Macy's	646,434	37,831	1.5%
Victoria's Secret (guaranteed by L Brands, Inc.)	91,427	34,339	1.4%
Bloomberg L.P.	287,898	33,469	1.4%
AXA Equitable Life Insurance	336,646	32,267	1.3%
Google/Motorola Mobility (guaranteed by Google)	728,483	32,111	1.3%
Oath (Verizon)	327,138	30,685	1.2%
Forever 21	170,374	30,445	1.2%
Ziff Brothers Investments, Inc.	287,030	30,229	1.2%
McGraw-Hill Companies, Inc.	479,557	29,897	1.2%
AMC Networks, Inc.	404,920	26,423	1.1%
The City of New York	565,846	25,053	1.0%
Topshop	94,349	23,685	1.0%
Amazon (including its Whole Foods subsidiary)	308,113	23,519	0.9%
Fast Retailing (Uniqlo)	90,732	22,867	0.9%
Madison Square Garden	344,355	22,500	0.9%
Neuberger Berman Group LLC	288,325	22,475	0.9%
J. Crew	250,635	21,841	0.9%
Hollister	21,741	19,809	0.8%
JCPenney	426,370	19,699	0.8%
Bank of America	232,728	18,390	0.7%
PwC	243,434	17,137	0.7%
New York University	287,637	15,748	0.6%
U.S. Government	578,711	13,469	0.5%
Integrated Holdings Group	131,565	12,704	0.5%
Information Builders, Inc.	229,064	12,505	0.5%
Cushman & Wakefield	127,314	11,645	0.5%
New York & Company, Inc.	207,585	11,520	0.5%
			<b>31.4%</b>

(1) Includes leases not yet commenced.

(2) See reconciliation of consolidated revenues to our pro rata share of total annualized revenues on page xi in *Appendix: Non-GAAP Reconciliations*.

**LEASE EXPIRATIONS  
NEW YORK SEGMENT**

(unaudited)

	Period of Lease Expiration	Our Share of Square Feet of Expiring Leases <sup>(1)</sup>	Weighted Average Annual Rent of Expiring Leases		Percentage of Annualized Escalated Rent
			Total	Per Sq. Ft.	
<b>Office:</b>	Month to Month	86,000	\$ 3,558,000	\$ 41.37	0.3%
	Second Quarter 2018	177,000	13,415,000	75.79	1.2%
	Third Quarter 2018	74,000	6,382,000	86.24	0.6%
	Fourth Quarter 2018	325,000	25,740,000	79.20	2.3%
	Total 2018	576,000	45,537,000	79.06	4.1%
	First Quarter 2019	171,000	11,135,000	65.12	1.0%
	Remaining 2019	520,000	34,036,000	65.45	3.0%
	2020	1,385,000	95,875,000	69.22	8.5%
	2021	1,165,000	86,424,000	74.18	7.6%
	2022	773,000	47,834,000	61.88	4.2%
	2023	1,918,000	152,204,000	79.36	13.4%
	2024	1,306,000	102,540,000	78.51	9.0%
	2025	802,000	59,280,000	73.92	5.1%
	2026	1,406,000	104,183,000	74.10	9.2%
	2027	1,088,000	76,693,000	70.49	6.8%
	2028	991,000	67,512,000	68.13	6.0%
	Thereafter	3,975,000	246,927,000	62.12	21.8%
<b>Retail:</b>	Month to Month	55,000	\$ 3,476,000	\$ 63.20	0.8%
	Second Quarter 2018	9,000	1,887,000	209.67	0.4%
	Third Quarter 2018	44,000	14,506,000	329.68	3.2%
	Fourth Quarter 2018	9,000	1,708,000	189.78	0.4%
	Total 2018	62,000	18,101,000	291.95	4.0%
	First Quarter 2019	55,000	15,105,000	274.64	3.4%
	Remaining 2019	161,000	22,865,000	142.02	5.1%
	2020	82,000	12,094,000	147.49	2.7%
	2021	66,000	11,069,000	167.71	2.5%
	2022	32,000	7,388,000	230.88	1.7%
	2023	90,000	39,190,000	435.44	8.8%
	2024	193,000	71,783,000	371.93	16.1%
	2025	41,000	17,776,000	433.56	4.0%
	2026	129,000	42,091,000	326.29	9.4%
	2027	31,000	21,472,000	692.65	4.8%
	2028	43,000	16,082,000	374.00	3.6%
	Thereafter	874,000	148,092,000	169.44	33.1%

(1) Excludes storage, vacancy and other.

**LEASE EXPIRATIONS**  
**theMART**

(unaudited)

	Period of Lease Expiration	Our Share of Square Feet of Expiring Leases <sup>(1)</sup>	Weighted Average Annual Rent of Expiring Leases		Percentage of Annualized Escalated Rent
			Total	Per Sq. Ft.	
<b>Office / Showroom / Retail:</b>	Month to Month	4,000	\$ 239,000	\$ 59.75	0.2%
	Second Quarter 2018	17,000	760,000	44.71	0.5%
	Third Quarter 2018	175,000	6,401,000	36.58	4.2%
	Fourth Quarter 2018	49,000	2,274,000	46.41	1.5%
	Total 2018	241,000	9,435,000	39.15	6.2%
	First Quarter 2019	63,000	3,287,000	52.17	2.1%
	Remaining 2019	90,000	4,525,000	50.28	2.9%
	2020	294,000	13,111,000	44.60	8.5%
	2021	344,000	14,595,000	42.43	9.5%
	2022	654,000	28,180,000	43.09	18.3%
	2023	277,000	12,666,000	45.73	8.2%
	2024	219,000	8,959,000	40.91	5.9%
	2025	332,000	15,311,000	46.12	9.9%
	2026	181,000	8,090,000	44.70	5.3%
	2027	108,000	4,828,000	44.70	3.1%
	2028	631,000	24,066,000	38.14	15.6%
	Thereafter	168,000	6,677,000	39.74	4.3%

(1) Excludes storage, vacancy and other.

**LEASE EXPIRATIONS**  
**555 California Street**

(unaudited)

	Period of Lease Expiration	Our Share of Square Feet of Expiring Leases <sup>(1)</sup>	Weighted Average Annual Rent of Expiring Leases		Percentage of Annualized Escalated Rent
			Total	Per Sq. Ft.	
<b>Office / Retail:</b>	Month to Month	—	\$ —	\$ —	—
	Second Quarter 2018	6,000	364,000	60.67	0.4%
	Third Quarter 2018	2,000	148,000	74.00	0.2%
	Fourth Quarter 2018	—	—	—	—%
	Total 2018	8,000	512,000	64.00	0.6%
	First Quarter 2019	—	—	—	—%
	Remaining 2019	40,000	3,313,000	82.83	3.8%
	2020	101,000	6,289,000	62.27	7.3%
	2021	76,000	5,234,000	68.87	6.1%
	2022	37,000	2,801,000	75.70	3.3%
	2023	132,000	9,012,000	68.27	10.5%
	2024	59,000	5,033,000	85.31	5.8%
	2025	343,000	23,318,000	67.98	27.1%
	2026	138,000	10,324,000	74.81	12.0%
	2027	65,000	5,164,000	79.45	6.0%
	2028	—	—	—	—%
	Thereafter	164,000	15,067,000	91.87	17.5%

(1) Excludes storage, vacancy and other.



## LEASING ACTIVITY

(unaudited)

The leasing activity and related statistics in the table below are based on leases signed during the period and are not intended to coincide with the commencement of rental revenue in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Second generation relet space represents square footage that has not been vacant for more than nine months and tenant improvements and leasing commissions are based on our share of square feet leased during the period.

(square feet in thousands)

	New York		theMART	555 California Street
	Office	Retail		
<b>Three Months Ended March 31, 2018</b>				
Total square feet leased	424	77	119	89
Our share of square feet leased:	359	77	119	62
Initial rent <sup>(1)</sup>	\$ 82.07	\$ 212.03	\$ 50.39	\$ 85.89
Weighted average lease term (years)	10.5	4.5	5.7	7.1
Second generation relet space:				
Square feet	285	77	113	30
GAAP basis:				
Straight-line rent <sup>(2)</sup>	\$ 85.11	\$ 222.11	\$ 51.08	\$ 99.34
Prior straight-line rent	\$ 52.39	\$ 253.14	\$ 37.40	\$ 71.29
Percentage increase (decrease)	62.5% <sup>(3)</sup>	(12.3)% <sup>(4)</sup>	36.6%	39.3%
Cash basis (non-GAAP):				
Initial rent <sup>(1)</sup>	\$ 83.96	\$ 212.03	\$ 50.31	\$ 96.68
Prior escalated rent	\$ 55.87	\$ 265.50	\$ 39.31	\$ 82.61
Percentage increase (decrease)	50.3% <sup>(3)</sup>	(20.1)% <sup>(4)</sup>	28.0%	17.0%
Tenant improvements and leasing commissions:				
Per square foot	\$ 97.99	\$ 63.26	\$ 23.89	\$ 82.65
Per square foot per annum	\$ 9.33	\$ 14.06	\$ 4.19	\$ 11.64
Percentage of initial rent	11.4%	6.6 %	8.3%	13.6%

(1) Represents the cash basis weighted average starting rent per square foot, which is generally indicative of market rents. Most leases include free rent and periodic step-ups in rent which are not included in the initial cash basis rent per square foot but are included in the GAAP basis straight-line rent per square foot.

(2) Represents the GAAP basis weighted average rent per square foot that is recognized over the term of the respective leases, and includes the effect of free rent and periodic step-ups in rent.

(3) Excluding a single lease at 770 Broadway for 77 square feet, the GAAP and cash basis mark-to-markets were positive 20.2% and 12.5%, respectively.

(4) Excluding a single lease at 435 Seventh Avenue for 43 square feet, the GAAP and cash basis mark-to-markets were positive 19.2% and 4.9%, respectively.

## OCCUPANCY, SAME STORE NOI AT SHARE AND NOI AT SHARE - CASH BASIS (NON-GAAP)

(unaudited)

	New York	theMART	555 California Street
Occupancy rate at:			
March 31, 2018	96.9%	99.1%	97.8%
December 31, 2017	97.2%	98.6%	94.2%
March 31, 2017	96.6%	98.9%	93.1%
Same store NOI at share % increase (decrease) <sup>(1)</sup> :			
Three months ended March 31, 2018 compared to March 31, 2017	4.0 % <sup>(2)</sup>	3.4%	12.3%
Three months ended March 31, 2018 compared to December 31, 2017	(5.6)% <sup>(2)</sup>	10.7% <sup>(3)</sup>	12.6%
Same store NOI at share - cash basis % increase (decrease) <sup>(1)</sup> :			
Three months ended March 31, 2018 compared to March 31, 2017	5.6 % <sup>(2)</sup>	10.0%	13.3%
Three months ended March 31, 2018 compared to December 31, 2017	(4.5)% <sup>(2)</sup>	10.9% <sup>(3)</sup>	7.6%

(1) See pages vii through x in the *Appendix: Non-GAAP reconciliations* for same store NOI - at share reconciliations.

	Increase (Decrease)
(2) Excluding Hotel Pennsylvania - same store NOI at share % increase (decrease):	
Three months ended March 31, 2018 compared to March 31, 2017	3.7 %
Three months ended March 31, 2018 compared to December 31, 2017	(2.2)%
Excluding Hotel Pennsylvania - same store NOI at share - cash basis % increase (decrease):	
Three months ended March 31, 2018 compared to March 31, 2017	5.3 %
Three months ended March 31, 2018 compared to December 31, 2017	(0.8)%

(3) Excluding tradeshows seasonality, same store NOI at share and same store NOI at share - cash basis decreased by 0.7% and 0.5%, respectively.

## RESIDENTIAL STATISTICS in service

(unaudited)

	Vornado's Ownership Interest			
	Number of Units	Number of Units	Occupancy Rate	Average Monthly Rent Per Unit
<b>New York:</b>				
March 31, 2018	2,008	980	96.9%	\$3,726
December 31, 2017	2,009	981	96.7%	\$3,722
March 31, 2017	2,004	977	95.4%	\$3,600

**DEVELOPMENT/REDEVELOPMENT SUMMARY - AS OF MARCH 31, 2018**

(unaudited and in thousands, except square feet)

Current Projects:	Segment	Property Rentable Sq. Ft.	(At Share)		% Complete	Start	Initial Occupancy	Full Quarter Stabilized Operations
			Excluding Land Costs					
			Incremental Budget	Amount Expended				
220 Central Park South - residential condominiums	Other	397,000	\$ 1,400,000	\$ 970,000	<sup>(1)</sup> 69.3%	Q3 2012	N/A	N/A
Moynihan Office Building - (50.1% interest) <sup>(2)</sup>	New York	850,000	400,000	30,375	7.6%	Q2 2017	Q3 2020	Q2 2022
One Penn Plaza - renovation <sup>(3)</sup>	New York	2,530,000	200,000	2,460	1.2%	Q4 2018	N/A	N/A
61 Ninth Avenue - office/retail (45.1% interest) <sup>(4)</sup>	New York	170,000	69,000	51,826	75.1%	Q1 2016	Q2 2018	Q2 2019
512 West 22nd Street - office/retail (55.0% interest)	New York	173,000	72,000	44,521	<sup>(5)</sup> 61.8%	Q4 2015	Q3 2018	Q1 2020
345 Montgomery Street (555 California Street) (70.0% interest)	Other	64,000	32,000	3,157	<sup>(6)</sup> 9.9%	Q1 2018	Q3 2019	Q3 2020
606 Broadway - office/retail (50.0% interest)	New York	34,000	30,000	19,195	<sup>(7)</sup> 64.0%	Q2 2016	Q4 2018	Q2 2020
825 Seventh Avenue - office (50.0% interest)	New York	165,000	15,000	1,103	7.4%	Q2 2018	Q1 2020	Q1 2021
Total current projects				<u>\$ 1,122,637</u>				

Future Opportunities:	Segment	Property Zoning Sq. Ft.
Penn Plaza - multiple opportunities - office/residential/retail	New York	TBD
Hotel Pennsylvania	New York	2,052,000
260 Eleventh Avenue - office <sup>(8)</sup>	New York	300,000

Undeveloped Land:	Segment	Property Zoning Sq. Ft.
29, 31, 33 West 57th Street (50.0% interest)	New York	150,000
527 West Kinzie, Chicago	Other	330,000
Total undeveloped land		<u>480,000</u>

(1) Excludes land and acquisition costs of \$515,426.

(2) Excludes \$115,230 for our share of the upfront contribution of \$230,000. The building and land are subject to a lease which expires in 2116.

(3) The building is subject to a ground lease which expires in 2098.

(4) The building is subject to a ground lease which expires in 2115.

(5) Excludes land and acquisition costs of \$57,000.

(6) Excludes land and building costs of \$31,000.

(7) Excludes land and acquisition costs of \$22,703.

(8) The building is subject to a ground lease which expires in 2114.

**CAPITAL EXPENDITURES,  
TENANT IMPROVEMENTS AND LEASING COMMISSIONS  
CONSOLIDATED**

(unaudited and in thousands, except per square foot amounts)

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Capital expenditures (accrual basis):</b>			
Expenditures to maintain assets	\$ 18,087	\$ 100,556	\$ 114,031
Tenant improvements	24,102	89,696	86,630
Leasing commissions	11,590	30,165	38,938
Non-recurring capital expenditures	12,283	80,461	55,636
<b>Total capital expenditures and leasing commissions (accrual basis)</b>	<b>66,062</b>	<b>300,878</b>	<b>295,235</b>
Adjustments to reconcile to cash basis:			
Expenditures in the current period applicable to prior periods	23,534	153,511	268,101
Expenditures to be made in future periods for the current period	(30,352)	(142,877)	(117,910)
<b>Total capital expenditures and leasing commissions (cash basis)</b>	<b>\$ 59,244</b>	<b>\$ 311,512</b>	<b>\$ 445,426</b>
Our share of square feet leased	617	2,111	2,307
Tenant improvements and leasing commissions per square foot per annum	\$ 8.66	\$ 9.51	\$ 7.79
Percentage of initial rent	9.4%	11.1%	10.0%

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Development and redevelopment expenditures:</b>			
220 Central Park South	\$ 75,239	\$ 265,791	\$ 303,974
606 Broadway	4,791	15,997	4,234
345 Montgomery Street (555 California Street)	2,196	5,950	434
Penn Plaza	1,218	7,107	11,904
90 Park Avenue	412	7,523	33,308
Marriott Marquis Times Square - retail and signage	352	1,982	9,283
640 Fifth Avenue	190	1,648	46,282
304 Canal Street	162	3,973	5,941
theMART	129	5,682	24,788
Other	2,119	40,199 <sup>(1)</sup>	166,417 <sup>(1)</sup>
	<b>\$ 86,808</b>	<b>\$ 355,852</b>	<b>\$ 606,565</b>

(1) Primarily relates to our former Washington, DC segment which was spun-off on July 17, 2017.

**CAPITAL EXPENDITURES,  
TENANT IMPROVEMENTS AND LEASING COMMISSIONS  
NEW YORK SEGMENT**

(unaudited and in thousands, except per square foot amounts)

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Capital expenditures (accrual basis):</b>			
Expenditures to maintain assets	\$ 11,965	\$ 73,745	\$ 67,239
Tenant improvements	20,836	42,475	63,995
Leasing commissions	10,973	21,183	32,475
Non-recurring capital expenditures	8,182	68,977	41,322
<b>Total capital expenditures and leasing commissions (accrual basis)</b>	<b>51,956</b>	<b>206,380</b>	<b>205,031</b>
Adjustments to reconcile to cash basis:			
Expenditures in the current period applicable to prior periods	20,524	101,500	159,144
Expenditures to be made in future periods for the current period	(27,227)	(90,798)	(100,151)
<b>Total capital expenditures and leasing commissions (cash basis)</b>	<b>\$ 45,253</b>	<b>\$ 217,082</b>	<b>\$ 264,024</b>
Our share of square feet leased	436	1,566	1,932
Tenant improvements and leasing commissions per square foot per annum	\$ 9.73	\$ 10.21	\$ 7.98
Percentage of initial rent	9.3%	10.9%	9.7%

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Development and redevelopment expenditures:</b>			
606 Broadway	\$ 4,791	\$ 15,997	\$ 4,234
Penn Plaza	1,218	7,107	11,904
90 Park Avenue	412	7,523	33,308
Marriott Marquis Times Square - retail and signage	352	1,982	9,283
640 Fifth Avenue	190	1,648	46,282
304 Canal Street	162	3,973	5,941
Other	1,690	5,144	7,251
	<b>\$ 8,815</b>	<b>\$ 43,374</b>	<b>\$ 118,203</b>

**CAPITAL EXPENDITURES,  
TENANT IMPROVEMENTS AND LEASING COMMISSIONS**

**theMART**

(unaudited and in thousands, except per square foot amounts)

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Capital expenditures (accrual basis):</b>			
Expenditures to maintain assets	\$ 2,651	\$ 11,725	\$ 16,343
Tenant improvements	2,433	9,423	6,722
Leasing commissions	254	1,190	1,355
Non-recurring capital expenditures	156	1,092	1,518
<b>Total capital expenditures and leasing commissions (accrual basis)</b>	<b>5,494</b>	<b>23,430</b>	<b>25,938</b>
Adjustments to reconcile to cash basis:			
Expenditures in the current period applicable to prior periods	2,044	8,784	24,314
Expenditures to be made in future periods for the current period	(2,977)	(9,011)	1,654
<b>Total capital expenditures and leasing commissions (cash basis)</b>	<b>\$ 4,561</b>	<b>\$ 23,203</b>	<b>\$ 51,906</b>
Our share of square feet leased	119	345	269
Tenant improvements and leasing commissions per square foot per annum	\$ 4.19	\$ 5.13	\$ 5.57
Percentage of initial rent	8.3%	10.8%	11.6%

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Development and redevelopment expenditures:</b>			
Common area enhancements	\$ 129	\$ 5,682	\$ 24,788
Other	136	459	1,384
	<b>\$ 265</b>	<b>\$ 6,141</b>	<b>\$ 26,172</b>

**CAPITAL EXPENDITURES,  
TENANT IMPROVEMENTS AND LEASING COMMISSIONS**

**555 CALIFORNIA STREET**

(unaudited and in thousands, except per square foot amounts)

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Capital expenditures (accrual basis):</b>			
Expenditures to maintain assets	\$ 3,471	\$ 7,893	\$ 5,704
Tenant improvements	833	6,652	3,201
Leasing commissions	363	2,147	1,041
Non-recurring capital expenditures	3,945	6,208	3,900
Total capital expenditures and leasing commissions (accrual basis)	8,612	22,900	13,846
Adjustments to reconcile to cash basis:			
Expenditures in the current period applicable to prior periods	966	17,906	12,708
Expenditures to be made in future periods for the current period	(148)	(3,301)	(3,056)
Total capital expenditures and leasing commissions (cash basis)	\$ 9,430	\$ 37,505	\$ 23,498
Our share of square feet leased	62	200	106
Tenant improvements and leasing commissions per square foot per annum	\$ 11.64	\$ 10.33	\$ 9.08
Percentage of initial rent	13.6%	11.7%	11.8%

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Development and redevelopment expenditures:</b>			
345 Montgomery Street	\$ 2,196	\$ 5,950	\$ 434
Other	134	6,465	8,716
	\$ 2,330	\$ 12,415	\$ 9,150

**CAPITAL EXPENDITURES,  
TENANT IMPROVEMENTS AND LEASING COMMISSIONS  
OTHER**

(unaudited and in thousands)

	Three Months Ended March 31, 2018	Year Ended December 31,	
		2017	2016
<b>Development and redevelopment expenditures:</b>			
220 Central Park South	\$ 75,239	\$ 265,791	\$ 303,974
Other	159	28,131 <sup>(1)</sup>	149,066 <sup>(1)</sup>
	<u>\$ 75,398</u>	<u>\$ 293,922</u>	<u>\$ 453,040</u>

(1) Primarily relates to our former Washington, DC segment which was spun-off on July 17, 2017.



**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet			Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service	Under Development or Not Available for Lease		
<b>NEW YORK:</b>								
<b>Penn Plaza:</b>								
One Penn Plaza								
(ground leased through 2098)								
-Office	100.0%	88.2%	\$ 63.20	2,264,000	2,264,000	—	\$ —	Cisco, Lion Resources, WSP USA, Symantec Corporation, United Health Care, Siemens Mobility*
-Retail	100.0%	99.2%	136.72	271,000	271,000	—	—	Bank of America, Kmart Corporation, Shake Shack, Starbucks
	100.0%	89.3%	71.06	2,535,000	2,535,000	—	—	
Two Penn Plaza								
-Office	100.0%	100.0%	58.80	1,589,000	1,482,000	107,000	575,000	EMC, Information Builders, Inc., Madison Square Garden, McGraw-Hill Companies, Inc.
-Retail	100.0%	100.0%	214.86	45,000	39,000	6,000	—	Chase Manhattan Bank
	100.0%	100.0%	63.10	1,634,000	1,521,000	113,000	575,000	
Eleven Penn Plaza								
-Office	100.0%	99.7%	61.39	1,114,000	1,114,000	—	450,000	Macy's, Madison Square Garden, AMC Networks, Inc. PNC Bank National Association, Starbucks,
-Retail	100.0%	85.2%	147.25	38,000	38,000	—	—	Madison Square Garden
	100.0%	99.2%	64.22	1,152,000	1,152,000	—	450,000	
100 West 33rd Street								
-Office	100.0%	100.0%	65.60	857,000	857,000	—	398,402	IPG and affiliates
Manhattan Mall								
-Retail	100.0%	97.0%	131.36	256,000	256,000	—	181,598	JCPenney, Aeropostale, Express, Starbucks
330 West 34th Street								
(ground leased through 2149 - 34.8% ownership interest in the land)								
-Office	100.0%	95.0%	62.71	691,000	691,000	—	50,150	New York & Company, Inc., Structure Tone, Deutsch, Inc., Web.com, Footlocker, Home Advisor, Inc.
-Retail	100.0%	—	—	18,000	18,000	—	—	
	100.0%	92.6%	62.71	709,000	709,000	—	50,150	
435 Seventh Avenue								
-Retail	100.0%	100.0%	187.82	43,000	43,000	—	96,538	Forever 21*
7 West 34th Street								
-Office	53.0%	100.0%	65.06	458,000	458,000	—	300,000	Amazon
-Retail	53.0%	71.8%	293.50	21,000	21,000	—	—	Amazon
	53.0%	98.8%	75.07	479,000	479,000	—	300,000	
484 Eighth Avenue								
-Retail	100.0%	—	—	16,000	—	16,000	—	
431 Seventh Avenue								
-Retail	100.0%	100.0%	263.93	10,000	10,000	—	—	
488 Eighth Avenue								
-Retail	100.0%	100.0%	88.25	6,000	6,000	—	—	
267 West 34th Street								
-Retail	100.0%	—	—	6,000	—	6,000	—	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) (In thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Penn Plaza (Continued):</b>								
138-142 West 32nd Street								
-Retail	100.0%	35.3%	\$ 77.89	8,000	8,000	—	\$ —	
150 West 34th Street								
-Retail	100.0%	100.0%	71.89	78,000	78,000	—	205,000	Old Navy
137 West 33rd Street								
-Retail	100.0%	100.0%	93.76	3,000	3,000	—	—	
265 West 34th Street								
-Retail	100.0%	—	—	3,000	—	3,000	—	
131-135 West 33rd Street								
-Retail	100.0%	100.0%	41.90	23,000	23,000	—	—	
486 Eighth Avenue								
-Retail	100.0%	—	—	3,000	—	3,000	—	
<b>Total Penn Plaza</b>				<b>7,821,000</b>	<b>7,680,000</b>	<b>141,000</b>	<b>2,256,688</b>	
<b>Midtown East:</b>								
909 Third Avenue								IPG and affiliates, Forest Laboratories,
(ground leased through 2063)								Geller & Company, Morrison Cohen LLP, Robeco USA Inc.,
-Office	100.0%	98.6%	59.88 <sup>(3)</sup>	1,347,000	1,347,000	—	350,000	United States Post Office, The Procter & Gamble Distributing LLC
150 East 58th Street								
(ground leased through 2118)								
-Office	100.0%	94.2%	74.83	539,000	539,000	—	—	Castle Harlan, Tournesol Realty LLC (Peter Marino),
-Retail	100.0%	13.1%	17.86	3,000	3,000	—	—	
	100.0%	93.8%	74.52	542,000	542,000	—	—	
715 Lexington Avenue								
-Retail	100.0%	92.5%	100.39	23,000	23,000	—	—	New York & Company, Inc., Jonathan Adler
966 Third Avenue								
-Retail	100.0%	100.0%	93.12	7,000	7,000	—	—	McDonald's
968 Third Avenue								
-Retail	50.0%	—	—	6,000	6,000	—	—	
<b>Total Midtown East</b>				<b>1,925,000</b>	<b>1,925,000</b>	<b>—</b>	<b>350,000</b>	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) <sup>(2)</sup> (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Midtown West:</b>								
888 Seventh Avenue								
(ground leased through 2067)								TPG-Axon Capital, Lone Star US Acquisitions LLC, Pershing Square Capital Management,
-Office	100.0%	98.7%	\$ 92.71	875,000	875,000	—	\$ 375,000	Vornado Executive Headquarters
-Retail	100.0%	100.0%	260.93	15,000	15,000	—	—	Redeye Grill L.P.
	100.0%	98.7%	95.55	890,000	890,000	—	375,000	
57th Street - 2 buildings								
-Office	50.0%	84.6%	47.67	81,000	81,000	—	20,000	
-Retail	50.0%	100.0%	134.19	22,000	22,000	—	—	
	50.0%	87.9%	66.15	103,000	103,000	—	20,000	
825 Seventh Avenue								
-Office	50.0%	100.0%	78.70	165,000	165,000	—	20,500	Young & Rubicam
-Retail	100.0%	100.0%	221.00	4,000	4,000	—	—	Lindy's
	51.2%	100.0%	82.07	169,000	169,000	—	20,500	
<b>Total Midtown West</b>				<b>1,162,000</b>	<b>1,162,000</b>	<b>—</b>	<b>415,500</b>	
<b>Park Avenue:</b>								
280 Park Avenue								
-Office	50.0%	95.0%	101.48	1,233,000	1,233,000	—	1,200,000	Cohen & Steers Inc., GIC Inc., Franklin Templeton Co. LLC, PJT Partners, Investcorp International Inc., Wells Fargo
-Retail	50.0%	100.0%	99.64	26,000	26,000	—	—	Scottrade Inc., Starbucks, The Four Seasons Restaurant
	50.0%	95.1%	101.44	1,259,000	1,259,000	—	1,200,000	
350 Park Avenue								
-Office	100.0%	100.0%	107.13	554,000	554,000	—	400,000	Kissinger Associates Inc., Ziff Brothers Investment Inc., MFA Financial Inc., M&T Bank
-Retail	100.0%	100.0%	269.39	17,000	17,000	—	—	Fidelity Investment, AT&T Wireless, Valley National Bank
	100.0%	100.0%	111.96	571,000	571,000	—	400,000	
<b>Total Park Avenue</b>				<b>1,830,000</b>	<b>1,830,000</b>	<b>—</b>	<b>1,600,000</b>	
<b>Grand Central:</b>								
90 Park Avenue								
-Office	100.0%	97.4%	77.89	937,000	937,000	—	—	Alston & Bird, Capital One, PwC, Factset Research Systems Inc., Foley & Lardner
-Retail	100.0%	100.0%	131.53	24,000	24,000	—	—	Citibank, Starbucks
	100.0%	97.5%	79.23	961,000	961,000	—	—	
330 Madison Avenue								
-Office	25.0%	96.9%	77.54	813,000	813,000	—	500,000	Guggenheim Partners LLC, HSBC Bank AFS, Glencore Ltd., Jones Lang LaSalle Inc., Wells Fargo, American Century
-Retail	25.0%	100.0%	327.47	33,000	33,000	—	—	Ann Taylor Retail Inc., Citibank, Starbucks
	25.0%	97.0%	87.29	846,000	846,000	—	500,000	
510 Fifth Avenue								
-Retail	100.0%	100.0%	149.15	66,000	66,000	—	—	The North Face, Elie Tahari
<b>Total Grand Central</b>				<b>1,873,000</b>	<b>1,873,000</b>	<b>—</b>	<b>500,000</b>	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) (In thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Madison/Fifth:</b>								
640 Fifth Avenue								
-Office	100.0%	100.0%	\$ 90.60	246,000	246,000	—	\$ —	Fidelity Investments, Owl Creek Asset Management LP, Avolon Aerospace*, GCA Savvian Inc.
-Retail	100.0%	100.0%	918.68	68,000	68,000	—	—	Victoria's Secret (guaranteed by L Brands, Inc.), Dyson
	100.0%	100.0%	269.93	314,000	314,000	—	—	
666 Fifth Avenue								
-Retail (Retail Condo)	100.0%	(4) 100.0%	455.94	114,000	114,000	—	390,000	Fast Retailing (Uniqlo), Hollister, Tissot
				114,000	114,000	—	390,000	
595 Madison Avenue								
-Office	100.0%	95.4%	81.63	299,000	299,000	—	—	Beauvais Carpets, Levin Capital Strategies LP, Cosmetech Mably Int'l LLC.
-Retail	100.0%	47.3%	1,259.45	26,000	26,000	—	—	Coach
	100.0%	91.5%	175.85	325,000	325,000	—	—	
650 Madison Avenue								
-Office	20.1%	99.0%	113.28	526,000	526,000	—	800,000	Memorial Sloan Kettering Cancer Center, Polo Ralph Lauren, Willett Advisors LLC (Bloomberg Philanthropies)
-Retail	20.1%	18.3%	1,250.54	67,000	67,000	—	—	Moncler USA Inc., Tod's
	20.1%	89.9%	241.78	593,000	593,000	—	800,000	
689 Fifth Avenue								
-Office	100.0%	90.0%	84.52	81,000	81,000	—	—	Yamaha Artist Services Inc., Brunello Cucinelli USA Inc.
-Retail	100.0%	100.0%	819.90	17,000	17,000	—	—	MAC Cosmetics, Massimo Dutti
	100.0%	91.7%	212.08	98,000	98,000	—	—	
655 Fifth Avenue								
-Retail	92.5%	100.0%	235.62	57,000	57,000	—	140,000	Ferragamo
697-703 Fifth Avenue (St. Regis - retail)								
-Retail	74.3%	100.0%	2,618.98	26,000	26,000	—	450,000	Swatch Group USA, Harry Winston
<b>Total Madison/Fifth</b>				<b>1,527,000</b>	<b>1,527,000</b>	<b>—</b>	<b>1,780,000</b>	
<b>Midtown South:</b>								
770 Broadway								
-Office	100.0%	100.0%	88.95	1,070,000	1,070,000	—	700,000	Facebook, Oath (Verizon), J. Crew
-Retail	100.0%	100.0%	64.92	109,000	109,000	—	—	Ann Taylor Retail Inc., Bank of America, Kmart Corporation
	100.0%	100.0%	86.73	1,179,000	1,179,000	—	700,000	
One Park Avenue								
-Office	55.0%	99.0%	55.21	862,000	862,000	—	300,000	New York University, Clarins USA Inc., BMG Rights Management, Robert A.M. Stern Architect, automotiveMastermind
-Retail	55.0%	100.0%	84.99	77,000	77,000	—	—	Bank of Baroda, Citibank, Equinox, Men's Wearhouse
	55.0%	99.1%	57.65	939,000	939,000	—	300,000	
4 Union Square South								
-Retail	100.0%	100.0%	105.92	206,000	206,000	—	113,495	Burlington Coat Factory, Whole Foods Market, DSW, Forever 21
692 Broadway								
-Retail	100.0%	100.0%	90.25	36,000	36,000	—	—	Equinox, Oath - formerly AOL (Verizon)
Other								
-Retail	50.0%	—	—	36,000	—	36,000	30,000	
<b>Total Midtown South</b>				<b>2,396,000</b>	<b>2,360,000</b>	<b>36,000</b>	<b>1,143,495</b>	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Rockefeller Center:</b>								
1290 Avenue of the Americas								
								AXA Equitable Life Insurance, Hachette Book Group Inc., Bryan Cave LLP, Neuberger Berman Group LLC, SSB Realty LLC, Cushman & Wakefield, Fitzpatrick,
-Office	70.0%	100.0%	\$ 80.90	2,038,000	2,038,000	—	\$ 950,000	Cella, Harper & Scinto, Columbia University
-Retail	70.0%	100.0%	177.87	76,000	76,000	—	—	Duane Reade, JPMorgan Chase Bank, Sovereign Bank, Starbucks
	70.0%	100.0%	84.39	2,114,000	2,114,000	—	950,000	
<b>608 Fifth Avenue</b>								
(ground leased through 2033)								
-Office	100.0%	99.8%	65.20	93,000	93,000	—	—	
-Retail	100.0%	100.0%	471.33	44,000	44,000	—	—	Topshop
	100.0%	99.9%	195.64	137,000	137,000	—	—	
Total Rockefeller Center				2,251,000	2,251,000	—	950,000	
<b>Wall Street/Downtown:</b>								
40 Fulton Street								
-Office	100.0%	87.7%	41.33	246,000	246,000	—	—	Market News International Inc., Sapient Corp.
-Retail	100.0%	100.0%	108.26	5,000	5,000	—	—	TD Bank
	100.0%	88.0%	42.67	251,000	251,000	—	—	
<b>Soho:</b>								
478-486 Broadway - 2 buildings								
-Retail	100.0%	100.0%	246.23	65,000	65,000	—	—	Topshop, Madewell, J. Crew
-Residential (10 units)	100.0%	100.0%	—	20,000	20,000	—	—	
	100.0%	100.0%	—	85,000	85,000	—	—	
443 Broadway								
Retail	100.0%	100.0%	95.90	16,000	16,000	—	—	Necessary Clothing
304 Canal Street								
-Retail	100.0%	—	—	4,000	—	4,000	—	
-Residential (4 units)	100.0%	100.0%	—	9,000	9,000	—	—	
	100.0%	100.0%	—	13,000	9,000	4,000	—	
334 Canal Street								
-Retail	100.0%	—	—	4,000	4,000	—	—	
-Residential (4 units)	100.0%	100.0%	—	11,000	11,000	—	—	
	100.0%	73.3%	—	15,000	15,000	—	—	
155 Spring Street								
-Retail	100.0%	93.6%	134.32	50,000	50,000	—	—	Vera Bradley
148 Spring Street								
-Retail	100.0%	100.0%	186.12	8,000	8,000	—	—	Dr. Martens
150 Spring Street								
-Retail	100.0%	100.0%	288.56	6,000	6,000	—	—	Sandro
-Residential (1 unit)	100.0%	100.0%	—	1,000	1,000	—	—	
	100.0%	100.0%	—	7,000	7,000	—	—	
<b>Other</b>								
-Residential (26 units)	100.0%	76.9%	—	35,000	35,000	—	—	
Total Soho				229,000	225,000	4,000	—	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Times Square:</b>								
1540 Broadway								Forever 21, Planet Hollywood, Disney, Sunglass Hut,
-Retail	100.0%	100.0%	\$ 260.16	161,000	161,000	—	\$ —	MAC Cosmetics, U.S. Polo
1535 Broadway (Marriott Marquis - retail and signage)								
(ground and building leased through 2032)								
-Retail	100.0%	95.3%	1,017.97	44,000	44,000	—	—	T-Mobile, Invicta, Swatch Group USA, Levi's*, Sephora*
-Theatre	100.0%	100.0%	13.68	62,000	62,000	—	—	Nederlander-Marquis Theatre
	100.0%	98.1%	379.76	106,000	106,000	—	—	
<b>Total Times Square</b>				<b>267,000</b>	<b>267,000</b>	<b>—</b>	<b>—</b>	
<b>Upper East Side:</b>								
828-850 Madison Avenue								
-Retail	100.0%	100.0%	620.68	18,000	18,000	—	—	Gucci, Chloe, Cartier, Cho Cheng, Christoffe Silver Inc.
677-679 Madison Avenue								
-Retail	100.0%	100.0%	500.48	8,000	8,000	—	—	Berluti
-Residential (8 units)	100.0%	75.0%		5,000	5,000	—	—	
	100.0%	90.4%		13,000	13,000	—	—	
759-771 Madison Avenue (40 East 68th)								
-Residential (5 units)	100.0%	100.0%		12,000	12,000	—	—	
-Retail	100.0%	66.7%	1,074.62	11,000	11,000	—	—	John Varvatos, J. Crew
	100.0%	84.1%		23,000	23,000	—	—	
1131 Third Avenue								
Retail	100.0%	100.0%	160.23	23,000	23,000	—	—	Nike, Crunch LLC, J.Jill
Other								
-Retail - 2 buildings	100.0%	100.0%	—	15,000	15,000	—	—	
-Residential (8 units)	100.0%	100.0%		7,000	7,000	—	—	
	100.0%	100.0%		22,000	22,000	—	—	
<b>Total Upper East Side</b>				<b>99,000</b>	<b>99,000</b>	<b>—</b>	<b>—</b>	
<b>Long Island City:</b>								
33-00 Northern Boulevard (Center Building)								
-Office	100.0%	95.5%	34.78	471,000	471,000	—	100,000	The City of New York, NYC Transit Authority
<b>Chelsea/Meatpacking District:</b>								
260 Eleventh Avenue								
(ground leased through 2114)								
-Office	100.0%	100.0%	52.08	184,000	184,000	—	—	The City of New York
85 Tenth Avenue								Google, General Services Administration,
							625,000	Telehouse International Corp., L-3 Communications,
-Office	49.9%	100.0%	85.93	586,000	586,000	—	625,000	Moet Hennessy USA, Inc.
-Retail	49.9%	100.0%	78.68	43,000	43,000	—	—	IL Posto LLC, Toro NYC Restaurant, L'Atelier
	49.9%	100.0%	85.44	629,000	629,000	—	625,000	
537 West 26th Street								
-Retail	100%	100%		14,000	14,000	—	—	
<b>Total Chelsea/Meatpacking District</b>				<b>827,000</b>	<b>827,000</b>	<b>—</b>	<b>625,000</b>	
<b>Upper West Side:</b>								
50-70 W 93rd Street								
-Residential (325 units)	49.9%	94.8%		283,000	283,000	—	80,000	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet		Under Development or Not Available for Lease	Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service			
<b>NEW YORK (Continued):</b>								
<b>Tribeca:</b>								
Independence Plaza, Tribeca								
-Residential (1,327 units)	50.1%	98.9%		1,185,000	1,185,000	—	\$ 550,000	
-Retail	50.1%	100.0%	\$ 54.62	72,000	60,000	12,000	—	Duane Reade, Food Emporium
	50.1%	98.9%		1,257,000	1,245,000	12,000	550,000	
339 Greenwich Street								
-Retail	100.0%	100.0%	105.00	8,000	8,000	—	—	Sarabeth's
Total Tribeca				1,265,000	1,253,000	12,000	550,000	
<b>New Jersey:</b>								
Paramus								
-Office	100.0%	94.7%	22.89	129,000	129,000	—	—	Vornado's Administrative Headquarters
<b>Washington D.C.:</b>								
3040 M Street								
-Retail	100.0%	100.0%	71.99	44,000	44,000	—	—	Nike, Amazon
<b>Properties to be Developed:</b>								
512 West 22nd Street								
-Office	55.0%	—	—	173,000	—	173,000	74,026	
61 Ninth Avenue								
(ground leased through 2115)								
-Office	45.1%	—	—	147,000	—	147,000	63,684	Aetna Life Insurance Company*
-Retail	45.1%	100.0%	287.61	23,000	23,000	—	—	Starbucks
	45.1%	100.0%	287.61	170,000	23,000	147,000	63,684	
606 Broadway (19 East Houston Street)								
-Office	50.0%	—	—	23,000	—	23,000	—	
-Retail	50.0%	—	—	11,000	—	11,000	42,659	
	50.0%	—	—	34,000	—	34,000	42,659	
Moynihan Office Building								
(ground and building leased through 2116)								
-Office	50.1%	—	—	730,000	—	730,000	219,784	
-Retail	50.1%	—	—	120,000	—	120,000	—	
	50.1%	—	—	850,000	—	850,000	219,784	
Total Properties to be Developed				1,227,000	23,000	1,204,000	400,153	
<b>New York Office:</b>								
Total	97.0%		\$ 73.93	21,421,000	20,241,000	1,180,000	\$ 8,471,546	
Vornado's Ownership Interest	96.8%		\$ 71.83	17,611,000	16,965,000	646,000	\$ 5,752,563	
<b>New York Retail:</b>								
Total	95.4%		\$ 224.28	2,888,000	2,671,000	217,000	\$ 1,649,290	
Vornado's Ownership Interest	96.7%		\$ 222.14	2,549,000	2,421,000	128,000	\$ 1,486,611	
<b>New York Residential:</b>								
Total	96.9%			1,568,000	1,568,000	—	\$ 630,000	
Vornado's Ownership Interest	96.9%			835,000	835,000	—	\$ 315,470	

**NEW YORK SEGMENT**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet			Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service	Under Development or Not Available for Lease		
<b>NEW YORK (Continued):</b>								
<b>ALEXANDER'S, INC.:</b>								
<b>New York:</b>								
731 Lexington Avenue, Manhattan								
-Office	32.4%	100.0%	\$ 116.25	889,000	889,000	—	\$ 500,000	Bloomberg
-Retail	32.4%	99.4%	192.88	174,000	174,000	—	350,000	Hennes & Mauritz, The Home Depot, The Container Store
	32.4%	99.9%	127.71	1,063,000	1,063,000	—	850,000	
								Sears, Burlington Coat Factory,
Rego Park I, Queens (4.8 acres)	32.4%	100.0%	40.78	343,000	343,000	—	78,246	Bed Bath & Beyond, Marshalls
Rego Park II (adjacent to Rego Park I),								
Queens (6.6 acres)	32.4%	99.9%	44.84	609,000	609,000	—	255,223	Century 21, Costco, Kohl's, TJ Maxx, Toys "R" Us
Flushing, Queens (5) (1.0 acre)	32.4%	100.0%	17.36	167,000	167,000	—	—	New World Mall LLC
The Alexander Apartment Tower,								
Rego Park, Queens, NY								
Residential (312 units)	32.4%	92.6%	—	255,000	255,000	—	—	
<b>New Jersey:</b>								
Paramus, New Jersey								
(30.3 acres ground leased to IKEA through 2041)	32.4%	100.0%	—	—	—	—	68,000	IKEA (ground lessee)
<b>Property to be Developed:</b>								
Rego Park III (adjacent to Rego Park II),								
Queens, NY (3.4 acres)	32.4%	—	—	—	—	—	—	
Total Alexander's	32.4%	99.1%	78.57	2,437,000	2,437,000	—	1,251,469	
<b>Hotel Pennsylvania:</b>								
-Hotel (1,700 Keys)	100.0%			1,400,000	1,400,000	—	—	
<b>Total New York</b>		<b>97.1%</b>	<b>\$ 88.83</b>	<b>29,714,000</b>	<b>28,317,000</b>	<b>1,397,000</b>	<b>\$ 12,002,305</b>	
<b>Vornado's Ownership Interest</b>		<b>96.9%</b>	<b>\$ 75.88</b>	<b>23,185,000</b>	<b>22,411,000</b>	<b>774,000</b>	<b>\$ 7,960,120</b>	

\* Lease not yet commenced.

- (1) Weighted average annual rent per square foot for office properties excludes garages and de minimis amounts of storage space. Weighted average annual rent per square foot for retail excludes non-selling space.
- (2) Represents the contractual debt obligations.
- (3) Excludes US Post Office leased through 2038 (including four five-year renewal options) for which the annual escalated rent is \$12.30 PSF.
- (4) We have reclassified our 49.5% interest in 666 Fifth Avenue Office Condominium from "New York" to "Other" in all periods presented because we do not intend to hold this asset on a long-term basis. 75,000 square feet is leased from 666 Fifth Avenue Office Condominium.
- (5) Leased by Alexander's through January 2037.



**OTHER**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet			Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service	Under Development or Not Available for Lease		
<b>555 California Street:</b>								
555 California Street	70.0%	97.4%	\$ 75.36	1,506,000	1,506,000	—	\$ 566,688	Bank of America, Dodge & Cox, Goldman Sachs & Co., Jones Day, Kirkland & Ellis LLP, Morgan Stanley & Co. Inc., McKinsey & Company Inc., UBS Financial Services, KKR Financial, Microsoft Corporation, Fenwick & West LLP
315 Montgomery Street	70.0%	100.0%	67.59	235,000	235,000	—	—	Bank of America, Regus, Ripple Labs Inc., LendingHome Corporation Blue Shield*
345 Montgomery Street	70.0%	—	—	64,000	—	64,000	—	
<b>Total 555 California Street</b>		<b>97.8%</b>	<b>\$ 74.29</b>	<b>1,805,000</b>	<b>1,741,000</b>	<b>64,000</b>	<b>\$ 566,688</b>	
<b>Vornado's Ownership Interest</b>		<b>97.8%</b>	<b>\$ 74.29</b>	<b>1,264,000</b>	<b>1,219,000</b>	<b>45,000</b>	<b>\$ 396,682</b>	
<b>theMART:</b>								
<b>theMART, Chicago</b>								
								Motorola Mobility (guaranteed by Google), CCC Information Services, Ogilvy Group (WPP), Publicis Groupe (MSL Group, Medicus Group, Razorfish), 1871, Yelp Inc., Paypal, Inc., Allscripts Healthcare, Chicago School of Professional Psychology, Innovation Development Institute, Inc., Chicago Teachers Union, ConAgra Foods Inc., Allstate Insurance Company, Steelcase, Baker, Knapp & Tubbs, Holly Hunt Ltd., Allsteel Inc., Herman Miller Inc., Knoll Inc., Teknion LLC
-Office	100.0%	99.5%	\$ 37.95	2,043,000	2,043,000	—	—	
-Showroom/Trade show	100.0%	98.7%	48.51	1,532,000	1,532,000	—	—	
-Retail	100.0%	98.1%	52.10	99,000	99,000	—	—	
	100.0%	99.1%	42.69	3,674,000	3,674,000	—	\$ 675,000	
Other (2 properties)	50.0%	100.0%	38.94	19,000	19,000	—	32,791	
<b>Total theMART</b>		<b>99.1%</b>	<b>\$ 42.67</b>	<b>3,693,000</b>	<b>3,693,000</b>	<b>—</b>	<b>\$ 707,791</b>	
<b>Vornado's Ownership Interest</b>		<b>99.1%</b>	<b>\$ 42.67</b>	<b>3,684,000</b>	<b>3,684,000</b>	<b>—</b>	<b>\$ 691,396</b>	

\* Lease not yet commenced.

- (1) Weighted average annual rent per square foot excludes ground rent, storage rent and garages.  
(2) Represents the contractual debt obligations.

**REAL ESTATE FUND**

**PROPERTY TABLE**

Property	Fund % Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet			Encumbrances (non-GAAP) (in thousands) <sup>(2)</sup>	Major Tenants
				Total Property	In Service	Under Development or Not Available for Lease		
<b>VORNADO CAPITAL PARTNERS</b>								
<b>REAL ESTATE FUND:</b>								
<b>New York, NY:</b>								
Lucida, 86th Street and Lexington Avenue								
(ground leased through 2082)								
- Retail	100.0%	100.0%	\$ 232.54	96,000	96,000	—		Barnes & Noble, Hennes & Mauritz, Sephora, Bank of America
- Residential (39 units)	100.0%	92.3%		59,000	59,000	—		
	100.0%			155,000	155,000	—	\$ 145,271	
<b>Crowne Plaza Times Square</b>								
- Hotel (795 Keys)								
- Retail	75.3%	97.4%	102.60	44,000	44,000	—		
- Office	75.3%	60.6%	44.93	197,000	197,000	—		American Management Association
	75.3%	67.3%	55.46	241,000	241,000	—	310,000	
501 Broadway	100.0%	100.0%	264.03	9,000	9,000	—	23,000	Capital One Financial Corporation
<b>Miami, FL:</b>								
1100 Lincoln Road								
- Retail	100.0%	71.7%	175.93	51,000	49,000	2,000		Banana Republic
- Theatre	100.0%	100.0%	39.38	79,000	79,000	—		Regal Cinema
	100.0%	89.2%	81.53	130,000	128,000	2,000	82,750	
<b>Total Real Estate Fund</b>	<b>88.8%</b>	<b>82.4%</b>		<b>535,000</b>	<b>533,000</b>	<b>2,000</b>	<b>\$ 561,021</b>	
<b>Vornado's Ownership Interest</b>	<b>28.6%</b>	<b>78.6%</b>		<b>154,000</b>	<b>154,000</b>	<b>1,000</b>	<b>\$ 136,205</b>	

(1) Weighted average annual rent per square foot excludes ground rent, storage rent and garages.

**OTHER**

**PROPERTY TABLE**

Property	% Ownership	% Occupancy	Weighted Average Annual Rent PSF <sup>(1)</sup>	Square Feet				Encumbrances (non-GAAP) (in thousands) <sup>(3)</sup>	Major Tenants
				Total Property	In Service		Under Development or Not Available for Lease		
					Owned by Company	Owned by Tenant <sup>(2)</sup>			
<b>OTHER:</b>									
<b>New York:</b>									
666 Fifth Avenue Office Condominium <sup>(4)</sup>	49.5%	—	\$ —	1,448,000	—	—	1,448,000	\$ 1,414,941	Colliers International NY LLC, Integrated Holding Group, Vinson & Elkins LLP HSBC Bank USA, Citibank
<b>Virginia:</b>									
Rosslyn Plaza <sup>(5)</sup>									General Services Administration, Corporate Executive Board, Nathan Associates, Inc.
Office - 4 buildings	46.2%	65.9%	44.33	736,000	432,000	—	304,000		
Residential - 2 buildings (197 units)	43.7%	93.4%		253,000	253,000	—	—		
				989,000	685,000	—	304,000	40,148	
Fashion Centre Mall <sup>(5)</sup>	7.5%	98.1%	48.79	868,000	868,000	—	—	410,000	Macy's, Nordstrom
Washington Tower <sup>(5)</sup>	7.5%	100.0%	50.8	170,000	170,000	—	—	40,000	Computer Science Corp.
<b>New Jersey:</b>									
Wayne Town Center, Wayne (ground leased through 2064)	100.0%	100.0%	30.71	677,000	228,000	443,000	6,000	—	JCPenney, Costco, Dick's Sporting Goods, Nordstrom Rack, 24 Hour Fitness
<b>Maryland:</b>									
Annapolis (ground and building leased through 2042)	100.0%	100.0%	8.99	128,000	128,000	—	—	—	The Home Depot
<b>Total Other</b>		<b>92.8%</b>	<b>\$ 40.17</b>	<b>4,280,000</b>	<b>2,079,000</b>	<b>443,000</b>	<b>1,758,000</b>	<b>\$ 1,905,089</b>	
<b>Vornado's Ownership Interest</b>		<b>93.6%</b>	<b>\$ 31.13</b>	<b>2,050,000</b>	<b>744,000</b>	<b>443,000</b>	<b>863,000</b>	<b>\$ 754,385</b>	

(1) Weighted average annual rent per square foot excludes ground rent, storage rent, garages and residential.

(2) Owned by tenant on land leased from the company.

(3) Represents the contractual debt obligations.

(4) We have reclassified our 49.5% interest in 666 Fifth Avenue Office Condominium from "New York" to "Other" in all periods presented because we do not intend to hold this asset on a long-term basis.

(5) Reclassified to Other from our former Washington, DC segment.

# APPENDIX

## NON-GAAP RECONCILIATIONS

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS TO NET INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS, AS ADJUSTED

(unaudited and in thousands, except per share amounts)

	Three Months Ended			
	March 31,		December 31, 2017	
	2018	2017		
Net (loss) income attributable to common shareholders	(A) \$	(17,841)	\$ 47,752	\$ 27,319
Per diluted share		\$ (0.09)	\$ 0.25	\$ 0.14
Certain expense (income) items that impact net (loss) income attributable to common shareholders:				
Decrease in fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018	\$	34,660	\$ —	\$ —
Our share of potential additional New York City transfer taxes based on a Tax Tribunal interpretation which Vornado is appealing		23,503	—	—
Preferred share issuance costs		14,486	—	—
666 Fifth Avenue Office Condominium (49.5% interest)		3,492	10,197	3,042
Our share of real estate fund investments (excluding our \$4,252 share of One Park Avenue potential additional transfer taxes and reduction in carried interest)		(814)	3,235	(529)
Loss (income) from discontinued operations (primarily related to JBG SMITH Properties operating results and transaction costs through July 17, 2017 spin-off)		363	(15,318)	1,535
220 Central Park South deferred tax benefit adjustment		—	—	34,800
Write-off of unsecured notes issuance		—	—	4,836
Other		3,420	949	(3,002)
		79,110	(937)	40,682
Noncontrolling interests' share of above adjustments		(4,881)	58	(2,522)
Total of certain expense (income) items that impact net (loss) income attributable to common shareholders	(B) \$	74,229	\$ (879)	\$ 38,160
Per diluted share (non-GAAP)		\$ 0.39	\$ —	\$ 0.20
Net income attributable to common shareholders, as adjusted (non-GAAP)	(A+B) \$	56,388	\$ 46,873	\$ 65,479
Per diluted share (non-GAAP)		\$ 0.30	\$ 0.25	\$ 0.34

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF NET (LOSS) INCOME ATTRIBUTABLE TO COMMON SHAREHOLDERS TO FFO ATTRIBUTABLE TO COMMON SHAREHOLDERS PLUS ASSUMED CONVERSIONS

(unaudited and in thousands, except per share amounts)

	Three Months Ended		
	March 31,		December 31,
	2018	2017	2017
Reconciliation of our net (loss) income attributable to common shareholders to FFO attributable to common shareholders plus assumed conversions (non-GAAP):			
Net (loss) income attributable to common shareholders	(A) \$ (17,841)	\$ 47,752	\$ 27,319
Per diluted share	\$ (0.09)	\$ 0.25	\$ 0.14
FFO adjustments:			
Depreciation and amortization of real property	\$ 100,410	\$ 130,469	\$ 106,017
Net gains on sale of real estate	—	(2,267)	308
Proportionate share of adjustments to equity in net (loss) income of partially owned entities to arrive at FFO:			
Depreciation and amortization of real property	28,106	39,074	28,247
Net gains on sale of real estate	(305)	(1,853)	(593)
Real estate impairment losses	4	3,051	145
	128,215	168,474	134,124
Noncontrolling interests' share of above adjustments	(7,911)	(10,517)	(8,310)
FFO adjustments, net	(B) \$ 120,304	\$ 157,957	\$ 125,814
FFO attributable to common shareholders (non-GAAP)	(A+B) \$ 102,463	\$ 205,709	\$ 153,133
Convertible preferred share dividends	16	20	18
FFO attributable to common shareholders plus assumed conversions (non-GAAP)	102,479	205,729	153,151
Add back of income allocated to noncontrolling interests of the Operating Partnership	6,939	13,784	10,372
FFO - OP Basis (non-GAAP)	\$ 109,418	\$ 219,513	\$ 163,523
FFO per diluted share (non-GAAP)	\$ 0.54	\$ 1.08	\$ 0.80

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF FFO ATTRIBUTABLE TO COMMON SHAREHOLDERS PLUS ASSUMED CONVERSIONS TO FFO ATTRIBUTABLE TO COMMON SHAREHOLDERS PLUS ASSUMED CONVERSIONS, AS ADJUSTED

(unaudited and in thousands, except per share amounts)

	Three Months Ended			
	March 31,		December 31, 2017	
	2018	2017		
FFO attributable to common shareholders plus assumed conversions (non-GAAP) <sup>(1)</sup>	(A) \$	102,479	\$ 205,729	\$ 153,151
Per diluted share (non-GAAP)		\$ 0.54	\$ 1.08	\$ 0.80
Certain expense (income) items that impact FFO attributable to common shareholders plus assumed conversions:				
Decrease in fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018	\$	34,660	\$ —	\$ —
Our share of potential additional New York City transfer taxes based on a Tax Tribunal interpretation which Vornado is appealing		23,503	—	—
Preferred share issuance costs		14,486	—	—
Our share of real estate fund investments (excluding our \$4,252 share of One Park Avenue potential additional transfer taxes and reduction in carried interest)		(814)	3,235	(529)
FFO from discontinued operations (primarily related to JBG SMITH Properties operating results and transaction costs through July 17, 2017 spin-off)		363	(48,093)	1,535
666 Fifth Avenue Office Condominium (49.5% interest)		137	(3,553)	(1,103)
Tax expense related to the reduction of our taxable REIT subsidiaries deferred tax assets		—	—	34,800
Expense related to the prepayment of our 2.50% senior unsecured notes due 2019		—	—	4,836
Other		3,721	(249)	(2,863)
		76,056	(48,660)	36,676
Noncontrolling interests' share of above adjustments		(4,693)	3,036	(2,274)
Total of certain expense (income) items that impact FFO attributable to common shareholders plus assumed conversions	(B) \$	71,363	\$ (45,624)	\$ 34,402
Per diluted share		\$ 0.37	\$ (0.24)	\$ 0.18
FFO attributable to common shareholders plus assumed conversions, as adjusted (non-GAAP)	(A+B) \$	173,842	\$ 160,105	\$ 187,553
Per diluted share (non-GAAP)		\$ 0.91	\$ 0.84	\$ 0.98

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF FFO ATTRIBUTABLE TO COMMON SHAREHOLDERS PLUS ASSUMED CONVERSIONS TO FAD

(unaudited and in thousands)

	Three Months Ended		
	March 31,		December 31,
	2018	2017	2017
FFO attributable to common shareholders plus assumed conversions (non-GAAP)	(A) \$ 102,479	\$ 205,729	\$ 153,151
Adjustments to arrive at FAD (non-GAAP):			
Adjustments to FFO excluding FFO attributable to discontinued operations and sold properties	75,693	6,686	36,758
Recurring tenant improvements, leasing commissions and other capital expenditures	(48,545)	(72,491)	(62,636)
Stock-based compensation expense	13,669	14,276	5,510
Amortization of acquired below-market leases, net	(10,144)	(11,001)	(10,908)
Amortization of debt issuance costs	8,104	8,981	9,236
Straight-line rentals	(7,430)	(15,522)	(8,041)
Non real estate depreciation	1,635	1,994	1,629
Noncontrolling interests' share of above adjustments	(2,035)	4,186	1,764
	(B) 30,947	(62,891)	(26,688)
FAD (non-GAAP)	(A+B) \$ 133,426	\$ 142,838	\$ 126,463
FAD payout ratio <sup>(1)</sup>	90.0%	94.7%	90.9%

(1) FAD payout ratios on a quarterly basis are not necessarily indicative of amounts for the full year due to fluctuation in timing of cash based expenditures, the commencement of new leases and the seasonality of our operations.



**NON-GAAP RECONCILIATIONS**

**RECONCILIATION OF NET INCOME TO NET OPERATING INCOME AT SHARE AND NET OPERATING INCOME AT SHARE - CASH BASIS**

(unaudited and in thousands)

	For the Three Months Ended		
	March 31,		
	2018	2017	December 31, 2017
Net income	\$ 282	\$ 73,847	\$ 53,551
Deduct:			
Loss (income) from partially owned entities	9,904	(1,358)	(9,622)
Loss (income) from real estate fund investments	8,807	(268)	(4,889)
Interest and other investment loss (income), net	24,384	(6,695)	(8,294)
Net gains on disposition of wholly owned and partially owned assets	—	(501)	—
Loss (income) from discontinued operations	363	(15,318)	(1,273)
NOI attributable to noncontrolling interests in consolidated subsidiaries	(17,312)	(16,338)	(16,533)
Add:			
Depreciation and amortization expense	108,686	105,128	114,166
General and administrative expense	43,633	47,237	35,139
Transaction related costs and other	13,156	752	703
NOI from partially owned entities	67,513	66,097	69,175
Interest and debt expense	88,166	82,724	93,073
Income tax expense	1,454	1,851	38,661
NOI at share	349,036	337,158	363,857
Non cash adjustments for straight-line rents, amortization of acquired below-market leases, net and other	(17,948)	(20,481)	(21,579)
NOI at share - cash basis	<u>\$ 331,088</u>	<u>\$ 316,677</u>	<u>\$ 342,278</u>

**NON-GAAP RECONCILIATIONS**

**COMPONENTS OF NET OPERATING INCOME AT SHARE AND NET OPERATING INCOME AT SHARE - CASH BASIS**

(unaudited and in thousands)

	For the Three Months Ended March 31,									
	Total Revenues		Operating Expenses		NOI		Non-cash Adjustments <sup>(1)</sup>		NOI - cash basis	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
New York	\$ 448,484	\$ 426,239	\$ 197,916	\$ 183,107	\$ 250,568	\$ 243,132	\$ (15,167)	\$ (18,910)	\$ 235,401	\$ 224,222
Other	87,953	81,819	39,686	37,552	48,267	44,267	(665)	(2,253)	47,602	42,014
Consolidated total	536,437	508,058	237,602	220,659	298,835	287,399	(15,832)	(21,163)	283,003	266,236
Noncontrolling interests' share in consolidated subsidiaries	(27,050)	(25,869)	(9,738)	(9,531)	(17,312)	(16,338)	544	3,452	(16,768)	(12,886)
Our share of partially owned entities	110,300	109,481	42,787	43,384	67,513	66,097	(2,660)	(2,770)	64,853	63,327
Vornado's share	<u>\$ 619,687</u>	<u>\$ 591,670</u>	<u>\$ 270,651</u>	<u>\$ 254,512</u>	<u>\$ 349,036</u>	<u>\$ 337,158</u>	<u>\$ (17,948)</u>	<u>\$ (20,481)</u>	<u>\$ 331,088</u>	<u>\$ 316,677</u>

	For the Three Months Ended December 31, 2017									
	Total Revenues		Operating Expenses		NOI		Non-cash Adjustments <sup>(1)</sup>		NOI - cash basis	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
New York	\$ 462,597	\$ 462,597	\$ 195,421	\$ 195,421	\$ 267,176	\$ 267,176	\$ (17,761)	\$ (17,761)	\$ 249,415	\$ 249,415
Other	73,629	73,629	29,590	29,590	44,039	44,039	160	160	44,199	44,199
Consolidated total	536,226	536,226	225,011	225,011	311,215	311,215	(17,601)	(17,601)	293,614	293,614
Noncontrolling interests' share in consolidated subsidiaries	(26,594)	(26,594)	(10,061)	(10,061)	(16,533)	(16,533)	315	315	(16,218)	(16,218)
Our share of partially owned entities	114,677	114,677	45,502	45,502	69,175	69,175	(4,293)	(4,293)	64,882	64,882
Vornado's share	<u>\$ 624,309</u>	<u>\$ 624,309</u>	<u>\$ 260,452</u>	<u>\$ 260,452</u>	<u>\$ 363,857</u>	<u>\$ 363,857</u>	<u>\$ (21,579)</u>	<u>\$ (21,579)</u>	<u>\$ 342,278</u>	<u>\$ 342,278</u>

(1) Includes adjustments for straight-line rents, amortization of acquired below-market leases, net and other.

**NET OPERATING INCOME AT SHARE BY REGION**

(unaudited)

Region:	Three Months Ended March 31,	
	2018	2017
New York City metropolitan area	88%	88%
Chicago, IL	8%	8%
San Francisco, CA	4%	4%
	<u>100%</u>	<u>100%</u>

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF NOI AT SHARE TO SAME STORE NOI AT SHARE FOR THE THREE MONTHS ENDED MARCH 31, 2018 COMPARED TO MARCH 31, 2017

(unaudited and in thousands)

	New York	theMART	555 California Street
NOI at share (non-GAAP) for the three months ended March 31, 2018	\$ 288,596	\$ 26,875	\$ 13,511
Less NOI at share from:			
Acquisitions	(350)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(412)	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(1,127)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share (non-GAAP) for the three months ended March 31, 2018	<u>\$ 286,168</u>	<u>\$ 26,790</u>	<u>\$ 13,511</u>
NOI at share (non-GAAP) for the three months ended March 31, 2017	\$ 277,155	\$ 25,889	\$ 12,034
Less NOI at share from:			
Acquisitions	—	31	—
Dispositions	(228)	—	—
Development properties placed into and out of service	16	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(638)	(20)	—
Other non-operating income, net	(1,084)	—	—
Same store NOI at share (non-GAAP) for the three months ended March 31, 2017	<u>\$ 275,221</u>	<u>\$ 25,900</u>	<u>\$ 12,034</u>
Increase in same store NOI at share for the three months ended March 31, 2018 compared to March 31, 2017	<u>\$ 10,947</u>	<u>\$ 890</u>	<u>\$ 1,477</u>
% increase in same store NOI at share	<u>4.0% <sup>(1)</sup></u>	<u>3.4%</u>	<u>12.3%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share increased by 3.7% .

## NON-GAAP RECONCILIATIONS

RECONCILIATION OF NOI AT SHARE TO SAME STORE NOI AT SHARE FOR THE THREE MONTHS ENDED MARCH 31, 2018 COMPARED TO DECEMBER 31, 2017

(unaudited and in thousands)

	New York	theMART	555 California Street
NOI at share (non-GAAP) for the three months ended March 31, 2018	\$ 288,596	\$ 26,875	\$ 13,511
Less NOI at share from:			
Acquisitions	(109)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(412)	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(1,127)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share (non-GAAP) for the three months ended March 31, 2018	<u>\$ 286,409</u>	<u>\$ 26,790</u>	<u>\$ 13,511</u>
NOI at share (non-GAAP) for the three months ended December 31, 2017	\$ 304,228	\$ 24,249	\$ 12,003
Less NOI at share from:			
Acquisitions	2	(46)	—
Dispositions	(8)	—	—
Development properties placed into and out of service	309	—	—
Lease termination income, net of straight-line and FAS 141 adjustments	(984)	—	—
Other non-operating income, net	(16)	—	—
Same store NOI at share (non-GAAP) for the three months ended December 31, 2017	<u>\$ 303,531</u>	<u>\$ 24,203</u>	<u>\$ 12,003</u>
(Decrease) increase in same store NOI at share for the three months ended March 31, 2018 compared to December 31, 2017	<u>\$ (17,122)</u>	<u>\$ 2,587</u>	<u>\$ 1,508</u>
% (decrease) increase in same store NOI at share	<u>(5.6)%<sup>(1)</sup></u>	<u>10.7%<sup>(2)</sup></u>	<u>12.6%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share decreased by 2.2%.

(2) Excluding tradeshows seasonality, same store NOI at share decreased by 0.7%.

## NON-GAAP RECONCILIATIONS

RECONCILIATION OF NOI AT SHARE - CASH BASIS TO SAME STORE NOI AT SHARE - CASH BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2018 COMPARED TO MARCH 31, 2017

(unaudited and in thousands)

	New York	theMART	555 California Street
NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2018	\$ 271,273	\$ 27,079	\$ 12,826
Less NOI at share - cash basis from:			
Acquisitions	(200)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(603)	—	—
Lease termination income	(1,061)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2018	<u>\$ 268,870</u>	<u>\$ 26,994</u>	<u>\$ 12,826</u>
NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2017	\$ 258,783	\$ 24,532	\$ 11,325
Less NOI at share - cash basis from:			
Acquisitions	—	31	—
Dispositions	(228)	—	—
Development properties placed into and out of service	106	—	—
Lease termination income	(3,030)	(31)	—
Other non-operating income, net	(1,029)	—	—
Same store NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2017	<u>\$ 254,602</u>	<u>\$ 24,532</u>	<u>\$ 11,325</u>
Increase in same store NOI at share - cash basis for the three months ended March 31, 2018 compared to March 31, 2017	<u>\$ 14,268</u>	<u>\$ 2,462</u>	<u>\$ 1,501</u>
% increase in same store NOI at share - cash basis	<u>5.6% <sup>(1)</sup></u>	<u>10.0%</u>	<u>13.3%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis increased by 5.3%.

## NON-GAAP RECONCILIATIONS

RECONCILIATION OF NOI AT SHARE - CASH BASIS TO SAME STORE NOI AT SHARE - CASH BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2018 COMPARED TO DECEMBER 31, 2017

(unaudited and in thousands)

	New York	theMART	555 California Street
NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2018	\$ 271,273	\$ 27,079	\$ 12,826
Less NOI at share - cash basis from:			
Acquisitions	(109)	(85)	—
Dispositions	40	—	—
Development properties placed into and out of service	(603)	—	—
Lease termination income	(1,061)	—	—
Other non-operating income, net	(579)	—	—
Same store NOI at share - cash basis (non-GAAP) for the three months ended March 31, 2018	<u>\$ 268,961</u>	<u>\$ 26,994</u>	<u>\$ 12,826</u>
NOI at share - cash basis (non-GAAP) for the three months ended December 31, 2017	\$ 282,787	\$ 24,396	\$ 11,916
Less NOI at share - cash basis from:			
Acquisitions	2	(46)	—
Dispositions	(8)	—	—
Development properties placed into and out of service	253	—	—
Lease termination income	(1,393)	—	—
Other non-operating income, net	(16)	—	—
Same store NOI at share - cash basis (non-GAAP) for the three months ended December 31, 2017	<u>\$ 281,625</u>	<u>\$ 24,350</u>	<u>\$ 11,916</u>
(Decrease) increase in same store NOI at share - cash basis for the three months ended March 31, 2018 compared to December 31, 2017	<u>\$ (12,664)</u>	<u>\$ 2,644</u>	<u>\$ 910</u>
% (decrease) increase in same store NOI at share - cash basis	<u>(4.5)% <sup>(1)</sup></u>	<u>10.9% <sup>(2)</sup></u>	<u>7.6%</u>

(1) Excluding Hotel Pennsylvania, same store NOI at share - cash basis decreased by 0.8%.

(2) Excluding tradeshow seasonality, same store NOI at share - cash basis decreased by 0.5%.

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF CONSOLIDATED REVENUES TO OUR PRO RATA SHARE OF REVENUES (ANNUALIZED)

(unaudited and in thousands)

	<b>Three Months Ended March 31, 2018</b>
Consolidated revenues	\$ 536,437
Noncontrolling interest adjustments	(27,050)
Consolidated revenues at our share (non-GAAP)	509,387
Unconsolidated revenues at our share, excluding Toys "R" Us, Inc.	110,300
Our pro rata share of revenues (non-GAAP)	<u>\$ 619,687</u>
Our pro rata share of revenues (annualized) (non-GAAP)	<u>\$ 2,478,748</u>

### RECONCILIATION OF CONSOLIDATED DEBT, NET TO CONTRACTUAL DEBT (NON-GAAP)

(unaudited and in thousands)

	<b>Three Months Ended March 31, 2018</b>		
	<b>Consolidated Debt, net</b>	<b>Deferred Financing Costs, Net and Other</b>	<b>Contractual Debt (non-GAAP)</b>
Mortgages payable	\$ 8,102,238	\$ 62,480	\$ 8,164,718
Senior unsecured notes	843,125	6,875	850,000
\$750 Million unsecured term loan	749,114	886	750,000
\$2.5 Billion unsecured revolving credit facilities	80,000	—	80,000
	<u>\$ 9,774,477</u>	<u>\$ 70,241</u>	<u>\$ 9,844,718</u>

## NON-GAAP RECONCILIATIONS

### RECONCILIATION OF NET INCOME TO EBITDAre

(unaudited and in thousands)

EBITDAre (i.e., EBITDA for real estate companies) is a non-GAAP financial measure established by NAREIT, which may not be comparable to EBITDA reported by other REITs that do not compute EBITDA in accordance with the NAREIT definition. The White Paper on EBITDAre approved by the Board of Governors of NAREIT in September 2017 defines EBITDAre as GAAP net income (loss), plus interest expense, plus income tax expense, plus depreciation and amortization, plus (minus) losses and gains on the disposition of depreciated property including losses and gains on change of control, plus impairment write-downs of depreciated property and of investments in unconsolidated joint ventures caused by a decrease in value of depreciated property in the joint venture, plus adjustments to reflect the entity's share of EBITDA of unconsolidated joint ventures.

	Three Months Ended		
	March 31,		December 31,
	2018	2017	2017
Reconciliation of net income to EBITDAre (non-GAAP):			
Net income	(A) \$ 282	\$ 73,847	\$ 53,551
EBITDAre adjustments:			
Depreciation and amortization (March 31, 2017 includes \$33,683 of discontinued operations)	108,687	138,811	114,166
Interest and debt expense (March 31, 2017 includes \$11,561 of discontinued operations)	88,166	94,285	93,073
Income tax expense (March 31, 2017 includes \$354 of discontinued operations)	1,454	2,205	38,453
Net (gains) losses on sale of depreciable assets	—	(2,267)	308
Adjustments to reflect the entity's share of EBITDAre of unconsolidated joint ventures	61,877	68,266	61,844
	(B) 260,184	301,300	307,844
EBITDAre (non-GAAP)	(A+B) \$ 260,466	\$ 375,147	\$ 361,395



**NON-GAAP RECONCILIATIONS**  
RECONCILIATION OF EBITDA<sub>re</sub> TO EBITDA<sub>re</sub>, AS ADJUSTED

(unaudited and in thousands)

	Three Months Ended		
	March 31,		December 31, 2017
	2018	2017	
EBITDA <sub>re</sub> (non-GAAP)	(A) \$ 260,466	\$ 375,147	\$ 361,395
EBITDA <sub>re</sub> attributable to noncontrolling interests in consolidated subsidiaries	(B) (4,314)	(18,813)	(20,352)
Certain expense (income) items that impact EBITDA <sub>re</sub> :			
Decrease in fair value of marketable securities resulting from a new GAAP accounting standard effective January 1, 2018	34,660	—	—
Our share of potential additional New York City transfer taxes based on a Tax Tribunal interpretation which Vornado is appealing	23,503	—	—
666 Fifth Avenue Office Condominium (49.5% interest)	(6,648)	(6,149)	(6,553)
Our share of real estate fund investments (excluding our \$4,252 share of One Park Avenue potential additional transfer taxes and reduction in carried interest)	(814)	3,235	(529)
EBITDA <sub>re</sub> from discontinued operations (primarily related to JBG SMITH Properties operating results and transaction costs through July 17, 2017 spin-off)	363	(62,092)	(758)
Other	1,192	(249)	(560)
	(C) 52,256	(65,255)	(8,400)
EBITDA <sub>re</sub> , as adjusted (non-GAAP)	(A+B+C) \$ 308,408	\$ 291,079	\$ 332,643