
Section 1: 8-K (FORM 8-K)

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 24, 2013

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

On April 24, 2013, Vornado Realty Trust (“Vornado”) issued a press release stating in its first quarter ended March 31, 2013, it has recognized its 32.5% share of Toys “R” Us, Inc.’s (“Toys”) fourth quarter net income of \$78,542,000 and recognized an offsetting non-cash impairment loss. A copy of that press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information included or incorporated in this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall such information and exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

On April 24, 2013, Vornado reported that in its first quarter ended March 31, 2013 it has recognized net income attributable to Toys of \$1,759,000, representing management fees earned.

Item 9.01. Financial Statements, Pro Forma Financial Information and Exhibits.

- (d) Exhibit.
 - 99.1 Press Release, dated April 24, 2013.

Section 2: EX-99.1 (EXHIBIT 99.1 -- PRESS RELEASE)

EXHIBIT 99.1

CONTACT: JOSEPH MACNOW
(201) 587-1000



210 Route 4 East
Paramus, NJ, 07652

FOR IMMEDIATE RELEASE – April 24, 2013

Vornado Announces its Share of Toys “R” Us Fourth Quarter Net Income and Offsetting Impairment Loss

PARAMUS, NEW JERSEY,..... In the quarter ended December 31, 2012, Vornado Realty Trust (NYSE:VNO) recorded a \$40,000,000 non-cash impairment loss with regards to its investment in Toys “R” Us and disclosed, that if current facts don’t change, its share of Toys’ undistributed income, which in accordance with the equity method of accounting, would increase the carrying amount of its investment above fair value, would require an offsetting impairment loss.

Vornado Realty Trust announced today that in its first quarter ended March 31, 2013 it has recognized its 32.5% share of Toys “R” Us net income of \$78,542,000 and a corresponding non-cash impairment loss of the same amount. Vornado’s income applicable to Toys after the impairment loss in the quarter ended March 31, 2013 is \$1,759,000, or \$0.01 per diluted share, representing management fees earned which are not subject to impairment. Vornado’s income applicable to Toys in the quarter ended March 31, 2012 was \$116,471,000, or \$0.57 per diluted share.

Vornado’s share of Toys’ Funds From Operations (“FFO”) after the impairment loss is \$16,685,000 (which represents depreciation), or \$0.08 per diluted share, compared to \$132,288,000, or \$0.65 per diluted share in the quarter ended March 31, 2012. Vornado’s share of Toys FFO will be treated as non-comparable for both this year and last year.

The business of Toys is highly seasonal; historically, Toys’ fourth quarter net income accounts for more than 80% of its fiscal year net income.

Attached is a summary of Toys’ financial results and Vornado’s 32.5% share of its equity in Toys’ net income, as well as reconciliations of net income to earnings before interest, taxes, depreciation and amortization (“EBITDA”) and FFO.

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. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

Toys "R" Us, Inc.
Condensed Consolidated Statements of Operations – Unaudited

	For the Quarter Ended		
	February 2, 2013	January 28, 2012	
	Results on a Historical Basis	Results on Vornado's Purchase Price Accounting Basis	Results on Vornado's Purchase Price Accounting Basis
(Amounts in thousands)			
Net sales	\$ 5,770,000	\$ 5,770,000	\$ 5,925,000
Cost of sales	<u>3,801,000</u>	<u>3,801,000</u>	<u>3,944,000</u>
Gross margin	<u>1,969,000</u>	<u>1,969,000</u>	<u>1,981,000</u>
Selling, general and administrative expenses	1,294,000	1,302,200	1,289,600
Depreciation and amortization	110,000	116,600	106,200
Other (income) expense, net	<u>(13,000)</u>	<u>(3,100)</u>	<u>9,000</u>
Total operating expenses	<u>1,391,000</u>	<u>1,415,700</u>	<u>1,404,800</u>
Operating earnings	578,000	553,300	576,200
Interest expense	(130,000)	(132,500)	(96,600)
Interest income	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
Earnings before income taxes	452,000	424,800	483,600
Income tax expense	<u>(212,000)</u>	<u>(182,800)</u>	<u>(132,200)</u>
Net earnings	240,000	242,000	351,400
Less: Net earnings attributable to noncontrolling interest	<u>(1,000)</u>	<u>(1,000)</u>	<u>(2,000)</u>
Net earnings attributable to Toys "R" Us, Inc.	<u>\$ 239,000</u>	<u>\$ 241,000</u>	<u>\$ 349,400</u>
Vornado's 32.5% equity in Toys' net earnings		\$ 78,542	\$ 114,184
Impairment loss		(78,542)	-
Management fee from Toys, net		1,759	2,287
Total Vornado net income from its investment in Toys		<u>\$ 1,759</u>	<u>\$ 116,471</u>
See page 3 for a reconciliation of net income to FFO.			
Reconciliation of Vornado's net income from its investment in Toys to EBITDA ⁽¹⁾ :			
Net income		\$ 1,759	\$ 116,471
Interest and debt expense		43,182	31,569
Depreciation and amortization		37,674	34,706
Income tax expense		<u>59,346</u>	<u>43,203</u>
Vornado's share of Toys' EBITDA ⁽¹⁾		<u>\$ 141,961</u>	<u>\$ 225,949</u>

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- (1) EBITDA represents “Earnings Before Interest, Taxes, Depreciation and Amortization.” Management considers EBITDA a supplemental measure for making decisions and assessing the unlevered performance of its segments as it relates to the total return on assets as opposed to the levered return on equity. EBITDA should not be considered a substitute for net income. EBITDA may not be comparable to similarly titled measures employed by other companies.
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Toys "R" Us, Inc.
Funds From Operations - Unaudited

(Amounts in thousands)

	For the Quarter Ended	
	February, 2 2013	January 28, 2012
Reconciliation of Vornado's net income from its investment in Toys to FFO ⁽¹⁾ :		
Net income	\$ 1,759	\$ 116,471
Depreciation and amortization of real property	19,326	17,288
Real estate impairment losses	3,650	7,026
Income tax effect of above adjustments	(8,050)	(8,497)
Vornado's share of Toys' FFO ⁽¹⁾	\$ 16,685	\$ 132,288

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- (1) 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, extraordinary items and other specified non-cash items, including the pro rata share of such adjustments of unconsolidated subsidiaries. FFO and FFO per diluted share are 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 flows as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies.

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