

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

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**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):  
November 2, 2015**

**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 November 2, 2015, Vornado Realty Trust (the “Company”), the general partner of Vornado Realty L.P., issued a press release announcing its financial results for the third quarter of 2015. 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 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 November 2, 2015.

99.2 Vornado Realty Trust supplemental operating and financial data for the quarter ended September 30, 2015.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VORNADO REALTY TRUST**  
(Registrant)

By:           /s/ Stephen W. Theriot            
Name: Stephen W. Theriot  
Title: Chief Financial Officer (duly  
authorized officer  
and principal financial and  
accounting officer)

Date: November 3, 2015

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VORNADO REALTY L.P.**  
(Registrant)

By: VORNADO REALTY TRUST,  
Sole General Partner

By:           /s/ Stephen W. Theriot            
Name: Stephen W. Theriot  
Title: Chief Financial Officer of  
Vornado Realty Trust,  
sole general partner of Vornado  
Realty L.P.  
(duly authorized officer and  
principal financial  
and accounting officer)

Date: November 3, 2015

99.1 Vornado Realty Trust press release dated November 2, 2015.

99.2 Vornado Realty Trust supplemental operating and financial data for the quarter ended September 30, 2015.

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## Section 2: EX-99 (EXHIBIT 99.1)

### EXHIBIT 99.1

CONTACT: STEPHEN THERIOT  
(201) 587-1000

**VORNADO**  
REALTY TRUST  
210 Route 4 East  
Paramus, NJ

FOR IMMEDIATE RELEASE – November 2, 2015

### Vornado Announces Third Quarter 2015 Financial Results

PARAMUS, NEW JERSEY.....VORNADO REALTY TRUST (New York Stock Exchange: VNO) filed its Form 10-Q for the quarter ended September 30, 2015 today and reported:

NET INCOME attributable to common shareholders for the quarter ended September 30, 2015 was \$198.9 million, or \$1.05 per diluted share, compared to \$131.2 million, or \$0.69 per diluted share, for the prior year's quarter. Net income for the quarters ended September 30, 2015 and 2014 include \$135.6 million and \$57.8 million, respectively, of net gains on sale of real estate. Net income for the quarter ended September 30, 2015 also includes \$2.3 million of real estate impairment losses. Adjusting net income attributable to common shareholders for certain items that affect comparability which are listed in the table below, net income attributable to common shareholders for the quarters ended September 30, 2015 and 2014 was \$73.9 million and \$79.6 million, or \$0.39 and \$0.42 per diluted share, respectively.

FUNDS FROM OPERATIONS attributable to common shareholders plus assumed conversions ("FFO") for the quarter ended September 30, 2015 was \$236.0 million, or \$1.25 per diluted share, compared to \$217.4 million, or \$1.15 per diluted share, for the prior year's quarter. Adjusting FFO for certain items that affect comparability which are listed in the table below, FFO for the quarters ended September 30, 2015 and 2014 was \$235.1 million and \$204.2 million, or \$1.24 and \$1.08 per diluted share, respectively.

(Amounts in thousands, except per share amounts)

	For the Three Months Ended September 30,	
	2015	2014
FFO (1)	\$ 236,039	\$ 217,362
Per diluted share	\$ 1.25	\$ 1.15
<b>Items that affect comparability income (expense):</b>		
FFO from discontinued operations and sold properties (including UE spin-off related costs of \$5,828 in 2014)	\$ 3,671	\$ 41,240
Acquisition and transaction related costs	(1,518)	(1,277)
Impairment loss and loan loss reserve on investment in Suffolk Downs	(595)	(10,263)
Toys FFO (negative FFO)	46	(18,035)
Other, net	(593)	2,341
	1,011	14,006
Noncontrolling interests' share of above adjustments	(62)	(814)
Items that affect comparability, net	\$ 949	\$ 13,192
<b>FFO as adjusted for comparability</b>	<b>\$ 235,090</b>	<b>\$ 204,170</b>
<b>Per diluted share</b>	<b>\$ 1.24</b>	<b>\$ 1.08</b>

(1) See page 4 for a reconciliation of our net income to FFO for the three months ended September 30, 2015 and 2014.

### Nine Months 2015 Results

NET INCOME attributable to common shareholders for the nine months ended September 30, 2015 was \$449.1 million, or \$2.37 per diluted share, compared to \$270.2 million, or \$1.43 per diluted share, for the nine months ended September 30, 2014. Net income for the nine months ended September 30, 2015 and 2014 include \$150.9 million and \$57.8 million, respectively, of net gains on sale of real estate, and \$17.4 million and \$20.8 million, respectively, of real estate impairment losses. Adjusting net income attributable to common shareholders for certain items that affect comparability which are listed in the table below, net income attributable to common shareholders for the nine months ended September 30, 2015 and 2014 was \$229.9 million and \$234.1 million, or \$1.21 and \$1.24 per diluted share, respectively.

FFO for the nine months ended September 30, 2015 was \$779.5 million, or \$4.11 per diluted share, compared to \$684.2 million, or \$3.63 per diluted share, for the prior year's nine months. Adjusting FFO for certain items that affect comparability which are listed in the table below, FFO for the nine months ended September 30, 2015 and 2014 was \$684.8 million and \$620.7 million, or \$3.61 and \$3.29 per diluted share, respectively.

(Amounts in thousands, except per share amounts)

	For the Nine Months Ended September 30,	
	2015	2014
FFO (1)	\$ 779,506	\$ 684,247
Per diluted share	\$ 4.11	\$ 3.63
<b>Items that affect comparability income (expense):</b>		
Reversal of allowance for deferred tax assets (re: taxable REIT subsidiary's ability to utilize NOLs)	\$ 90,030	\$ -
FFO from discontinued operations and sold properties (including UE spin-off related costs of \$22,972 and \$9,343, respectively)	16,891	134,668
Acquisition and transaction related costs	(7,560)	(3,629)
Our share of impairment loss on India real estate venture's non-depreciable real estate	(4,502)	-
Net gain on sale of residential condominiums and a land parcel in 2014	2,493	13,205
Toys FFO (negative FFO) (including impairment losses of \$75,196 in 2014)	2,000	(60,630)
Impairment loss and loan loss reserve on investment in Suffolk Downs	(595)	(10,263)
Other, net	1,928	(5,913)
	100,685	67,438
Noncontrolling interests' share of above adjustments	(6,002)	(3,932)
Items that affect comparability, net	\$ 94,683	\$ 63,506
<b>FFO as adjusted for comparability</b>	<b>\$ 684,823</b>	<b>\$ 620,741</b>
<b>Per diluted share</b>	<b>\$ 3.61</b>	<b>\$ 3.29</b>

(1) See page 4 for a reconciliation of our net income to FFO for the nine months ended September 30, 2015 and 2014.

### 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, as amended, for the year ended December 31, 2014. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

(tables to follow)

**VORNADO REALTY TRUST**  
**OPERATING RESULTS FOR THE THREE AND NINE MONTHS ENDED**  
**SEPTEMBER 30, 2015 AND 2014**

(Amounts in thousands, except per share amounts)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues	\$ 627,596	\$ 578,710	\$ 1,850,686	\$ 1,715,502
Income from continuing operations	\$ 200,777	\$ 87,029	\$ 525,608	\$ 314,584
Income from discontinued operations	34,463	82,168	50,278	118,456
Net income	235,240	169,197	575,886	433,040
Less net income attributable to noncontrolling interests in:				
Consolidated subsidiaries	(3,302)	(9,685)	(38,370)	(85,239)
Operating Partnership	(12,704)	(7,988)	(28,189)	(16,552)
Net income attributable to Vornado	219,234	151,524	509,327	331,249
Preferred share dividends	(20,364)	(20,365)	(60,213)	(61,099)
Net income attributable to common shareholders	\$ 198,870	\$ 131,159	\$ 449,114	\$ 270,150
<b>Income per common share - Basic:</b>				
Income from continuing operations, net	\$ 0.88	\$ 0.29	\$ 2.13	\$ 0.84
Income from discontinued operations, net	0.17	0.41	0.25	0.60
Net income per common share	\$ 1.05	\$ 0.70	\$ 2.38	\$ 1.44
Weighted average shares outstanding	188,504	187,671	188,291	187,503
<b>Income per common share - Diluted:</b>				
Income from continuing operations, net	\$ 0.88	\$ 0.28	\$ 2.12	\$ 0.84
Income from discontinued operations, net	0.17	0.41	0.25	0.59
Net income per common share	\$ 1.05	\$ 0.69	\$ 2.37	\$ 1.43
Weighted average shares outstanding	189,581	188,812	189,789	188,592
FFO	\$ 236,039	\$ 217,362	\$ 779,506	\$ 684,247
Per diluted share	\$ 1.25	\$ 1.15	\$ 4.11	\$ 3.63
FFO as adjusted for comparability	\$ 235,090	\$ 204,170	\$ 684,823	\$ 620,741
Per diluted share	\$ 1.24	\$ 1.08	\$ 3.61	\$ 3.29
Weighted average shares used in determining FFO per diluted share	189,581	188,812	189,524	188,592

The following table reconciles our net income to FFO:

(Amounts in thousands)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
<b>Reconciliation of our net income to FFO:</b>				
Net income attributable to Vornado	\$ 219,234	\$ 151,524	\$ 509,327	\$ 331,249
Depreciation and amortization of real property	134,623	123,578	382,175	387,549
Net gains on sale of real estate	(135,557)	(57,796)	(146,424)	(57,796)
Real estate impairment losses	-	-	256	20,842
Proportionate share of adjustments to equity in net loss of partially owned entities to arrive at FFO:				
Depreciation and amortization of real property	38,131	26,604	106,685	93,416
Net gains on sale of real estate	-	(760)	(4,513)	(760)
Real estate impairment losses	2,313	-	12,617	-
Income tax effect of above adjustments	-	(207)	-	(7,287)
Noncontrolling interests' share of above adjustments	(2,364)	(5,240)	(20,473)	(21,916)
FFO attributable to Vornado	256,380	237,703	839,650	745,297
Preferred share dividends	(20,364)	(20,365)	(60,213)	(61,099)
FFO attributable to common shareholders	236,016	217,338	779,437	684,198
Convertible preferred share dividends	23	24	69	49
FFO attributable to common shareholders plus assumed conversions	<u>\$ 236,039</u>	<u>\$ 217,362</u>	<u>\$ 779,506</u>	<u>\$ 684,247</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, 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 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 income to FFO is provided above. In addition to FFO, we also disclose FFO before certain items that affect comparability. 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 to FFO as adjusted for comparability are provided on page 1 and 2 of this press release.

#### Conference Call and Audio Webcast

As previously announced, the Company will host a quarterly earnings conference call and an audio webcast on Tuesday, November 3, 2015 at 10:00 a.m. Eastern Time (ET). The conference call can be accessed by dialing 800-708-4540 (domestic) or 847-619-6397 (international) and indicating to the operator the passcode 41033480. A telephonic replay of the conference call will be available from 1:00 p.m. ET on November 3, 2015 through December 2, 2015. To access the replay, please dial 888-843-7419 and enter the passcode 41033480#. 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.

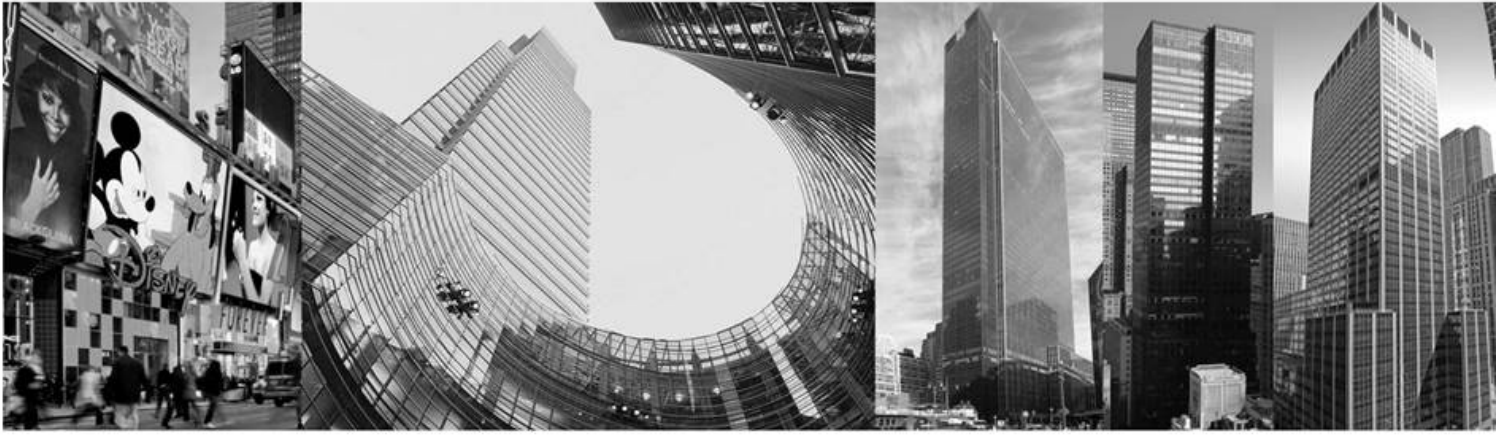
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## Section 3: EX-99 (EXHIBIT 99.2)

EXHIBIT 99.2



SUPPLEMENTAL OPERATING  
AND FINANCIAL DATA

For the Quarter Ended September 30, 2015

**VORNADO**  
REALTY TRUST

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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, as amended, for the year ended December 31, 2014. 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, as amended, or Quarterly Report on Form 10-Q, as applicable, and this supplemental package.

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## 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
Mitchell N. Schear	President - Washington, DC Division
Michael J. Franco	Executive Vice President - Chief Investment Officer
Joseph Macnow	Executive Vice President - Finance and Chief Administrative Officer
Stephen W. Theriot	Chief Financial Officer

### RESEARCH COVERAGE - EQUITY

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James Feldman / Scott Freitag <u>Bank of America / Merrill Lynch</u> 646-855-5808 / 646-855-3197	Steve Sakwa / Gabriel Hilmoe <u>Evercore ISI</u> 212-446-9462 / 212-446-9459	Alexander Goldfarb / Ryan Peterson <u>Sandler O'Neill</u> 212-466-7937 / 212-466-7927
Ross Smotrich / Peter Siciliano <u>Barclays Capital</u> 212-526-2306 / 212-526-3098	Brad K. Burke <u>Goldman Sachs</u> 917-343-2082	John W. Guinee / Erin T. Aslakson <u>Stifel Nicolaus &amp; Company</u> 443-224-1307 / 443-224-1350
Michael Bilerman / Emmanuel Korchman <u>Citi</u> 212-816-1383 / 212-816-1382	John Bejjani <u>Green Street Advisors</u> 949-640-8780	Michael Lewis <u>SunTrust Robinson Humphrey</u> 212-319-5659
Ian Weissman / Derek J.A. van Dijkum <u>Credit Suisse</u> 212-538-6889 / 212-325-9752	Anthony Paolone / Gene Nusinzon <u>JP Morgan</u> 212-622-6682 / 212-633-1041	Ross T. Nussbaum / Nick Yulico <u>UBS</u> 212-713-2484 / 212-713-3402
Vincent Chao <u>Deutsche Bank</u> 212-250-6799	Vance H. Edelson <u>Morgan Stanley</u> 212-761-0078	

### RESEARCH COVERAGE - DEBT

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Scott Frost <u>Bank of America / Merrill Lynch</u> 646-855-8078	Robert Haines / Craig Guttenplan <u>Credit Sights</u> 212-340-3835 / 212-340-3859	Thierry Perrein <u>Wells Fargo Securities</u> 704-715-8455
Peter Troisi <u>Barclays Capital</u> 212-412-3695	Ron Perrotta <u>Goldman Sachs</u> 212-902-7885	
Thomas Cook <u>Citi</u> 212-723-1112	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.

**Urban Edge Properties (“UE”) (NYSE: UE) spin-off**

On January 15, 2015, we completed the spin-off of substantially all of our retail segment comprised of 79 strip shopping centers, three malls, a warehouse park and \$225,000,000 of cash to Urban Edge Properties (“UE”) (NYSE: UE). As part of this transaction, we retained 5,717,184 UE operating partnership units (5.4% ownership interest). We are providing transition services to UE for an initial period of up to two years, including information technology, human resources, tax and financial reporting. UE is providing us with leasing and property management services for (i) certain small retail properties that we plan to sell, and (ii) our affiliate, Alexander’s, Inc. (NYSE: ALX), Rego Park retail assets. Steven Roth, our Chairman and Chief Executive Officer is a member of the Board of Trustees of UE. The spin-off distribution was effected by Vornado distributing one UE common share for every two Vornado common shares.

**Acquisitions**

Since January 1, 2015, we completed the following acquisitions:

- On January 20, we increased our aggregate ownership interest of the Crowne Plaza Times Square Hotel to 33% from 11% for \$39,000,000 which valued the property at approximately \$480,000,000.
- On March 18, we acquired the Center Building, a 437,000 square foot office building, located at 33-00 Northern Boulevard in Long Island City, New York, for \$142,000,000, including the assumption of an existing \$62,000,000, 4.43% mortgage maturing in October 2018.
- On June 2, we completed the acquisition of 150 West 34<sup>th</sup> Street, a 78,000 square foot retail property leased to Old Navy through May 2019, and 226,000 square feet of additional zoning air rights, for approximately \$355,000,000. At closing we completed a \$205,000,000 financing of the property.
- On June 24, we entered into a joint venture, in which we own a 55% interest, to develop a 173,000 square foot Class-A office building, located along the western edge of the High Line at 512 West 22nd Street. The development cost of this project is approximately \$235,000,000. The development is expected to commence during the fourth quarter of 2015 and be completed in 2017.
- On July 31, we acquired 260 Eleventh Avenue, a 235,000 square foot office property leased to the City of New York through 2021 with two five-year renewal options, a 10,000 square foot parking lot and additional air rights. The transaction is structured as a 99-year ground lease with an option to purchase the land for \$110,000,000. The \$3,900,000 annual ground rent and the purchase option price escalate annually at the lesser of 1.5% or CPI. The buildings were purchased for 813,900 newly issued Vornado Operating Partnership units valued at approximately \$80,000,000.
- On September 25, we acquired 265 West 34th Street, a 1,700 square foot retail property and 15,200 square feet of additional zoning air rights, for approximately \$28,500,000.

## 2015 BUSINESS DEVELOPMENTS

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### Dispositions

Since January 1, 2015, we completed the following dispositions:

- On March 13, we sold our Geary Street, CA lease for \$34,189,000, which resulted in a net gain of \$21,376,000.
- On March 25, the Fund completed the sale of 520 Broadway in Santa Monica, CA for \$91,650,000. The Fund realized a \$23,768,000 net gain over the holding period.
- On March 31, we transferred the redeveloped Springfield Town Center, a 1,350,000 square foot mall located in Springfield, Fairfax County, Virginia, to PREIT Associates, L.P., which is the operating partnership of Pennsylvania Real Estate Investment Trust (NYSE: PEI) (collectively, "PREIT"). The financial statement gain was \$7,823,000, of which \$7,192,000 was recognized in the first quarter of 2015 and the remaining \$631,000 was deferred based on our ownership interest in PREIT. In the first quarter of 2014, we recorded a non-cash impairment loss of \$20,000,000 on Springfield Town Center which is included in "income from discontinued operations" on our consolidated statements of income.
- On August 6, we sold our 50% interest in the Monmouth Mall in Eatontown, NJ to our joint venture partner for \$38,000,000, valuing the property at approximately \$229,000,000, which resulted in a net gain of \$33,153,000.
- On September 9, we completed the sale of 1750 Pennsylvania Avenue, NW, a 278,000 square foot office building in Washington, DC for \$182,000,000, resulting in a net gain of approximately \$102,000,000 which is included in "net gain on disposition of wholly owned and partially owned assets" on our consolidated statement of income. The tax gain of approximately \$137,000,000 was deferred as part of a like-kind exchange. We are managing the property on behalf of the new owner.
- On October 19, we entered into an agreement to sell our leasehold interest in 20 Broad Street, a 473,000 square foot office building in Manhattan. We ground lease this property, which is contiguous to the New York Stock Exchange ("NYSE"), from the NYSE, who is also the major tenant in the building. By agreement, we early terminated the NYSE space lease which was scheduled to expire in June 2016. The aggregate consideration for the sale of the leasehold and the early termination of the NYSE lease is \$200,000,000 or \$423 per square foot. The total income from this transaction is approximately \$156,000,000 comprised of \$141,000,000 from the gain on sale and \$15,000,000 of lease termination income. The sale, which is subject to customary closing conditions, is expected to be completed in the fourth quarter of 2015.
- We also sold five residual retail properties, in separate transactions, for an aggregate of \$10,731,000, which resulted in net gains of \$3,675,000.

## 2015 BUSINESS DEVELOPMENTS

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### Financing Activities

Since January 1, 2015, we completed the following financing transactions:

- On January 1, we redeemed all of the \$500,000,000 principal amount of our outstanding 4.25% senior unsecured notes, which were scheduled to mature on April 1, 2015, at a redemption price of 100% of the principal amount plus accrued interest through December 31, 2014.
- On April 1, we completed a \$308,000,000 refinancing of RiverHouse Apartments, a three building, 1,670 unit rental complex located in Arlington, VA. The loan is interest-only at LIBOR plus 1.28% and matures in 2025. We realized net proceeds of approximately \$43,000,000. The property was previously encumbered by a 5.43%, \$195,000,000 mortgage maturing in April 2015 and a \$64,000,000 mortgage at LIBOR plus 1.53% maturing in 2018.
- On June 2, we completed a \$205,000,000 financing in connection with the acquisition of 150 West 34th Street. The loan bears interest at LIBOR plus 2.25% and matures in 2018 with two one-year extension options.
- On July 28, we completed a \$580,000,000 refinancing of 100 West 33rd Street, a 1.1 million square foot property comprised of 851,000 square feet of office space and the 256,000 square foot Manhattan Mall. The loan is interest only at LIBOR plus 1.65% and matures in July 2020. We realized net proceeds of approximately \$242,000,000.
- On September 22, we upsized the loan on our 220 Central Park South development by \$350,000,000 to \$950,000,000. The interest rate on the loan is LIBOR plus 2.00% and the final maturity date is 2020. In connection with the upsizing, the standby commitment for a \$500,000,000 mezzanine loan for this development has been terminated by payment of a \$15,000,000 contractual termination fee, which was capitalized as a component of "development costs and construction in progress" on our consolidated balance sheet as of September 30, 2015.
- On October 30, we entered into an unsecured delayed-draw term loan facility in the maximum amount of \$750,000,000. The facility matures in October 2018 with two one-year extension options. The interest rate is LIBOR plus 115 basis points with a fee of 20 basis points per annum on the unused portion. At closing, we drew \$187,500,000. The facility provides that the maximum amount available is twice the amount outstanding on April 29, 2016, limited to \$750,000,000, and all draws must be made by October 2017.



## 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):

	Third Quarter 2015	Second Quarter 2015	First Quarter 2015	Fourth Quarter 2014
High Price	\$ 98.96	\$ 113.12	\$ 116.02	\$ 120.23
Low Price	\$ 84.60	\$ 94.55	\$ 104.11	\$ 93.09
Closing Price - end of quarter	\$ 90.42	\$ 94.93	\$ 112.00	\$ 117.71
Annualized Dividend per share	\$ 2.52 <sup>(1)</sup>	\$ 2.52 <sup>(1)</sup>	\$ 2.52 <sup>(1)</sup>	\$ 2.92 <sup>(1)</sup>
Annualized Dividend Yield - on Closing Price	2.8%	2.7%	2.3%	2.5%
Outstanding shares, Class A units and convertible preferred units as converted, excluding stock options (in thousands)	201,431	200,575	200,361	199,753
Closing market value of outstanding shares, Class A units and convertible preferred units as converted, excluding stock options	\$ 18.2 Billion	\$ 19.0 Billion	\$ 22.4 Billion	\$ 23.5 Billion

(1) Post spin-off of Urban Edge Properties (NYSE: UE), the \$2.52 annualized dividend, combined with the annualized dividend of UE is the same \$2.92 annual dividend that was paid in 2014.

**FINANCIAL HIGHLIGHTS**

(unaudited and in thousands, except per share amounts)

This section includes non-GAAP financial measures, including Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"), Funds From Operations attributable to common shares plus assumed conversions ("FFO"), FFO as adjusted for comparability, and Funds Available for Distribution ("FAD"). A description of these non-GAAP measures and reconciliations to the most directly comparable GAAP measures are provided on the pages that follow.

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2015	2014	2015	2015	2014
Total revenues	\$ 627,596	\$ 578,710	\$ 616,288	\$ 1,850,686	\$ 1,715,502
Net income attributable to common shareholders	\$ 198,870	\$ 131,159	\$ 165,651	\$ 449,114	\$ 270,150
Per common share:					
Basic	\$ 1.05	\$ 0.70	\$ 0.88	\$ 2.38	\$ 1.44
Diluted	\$ 1.05	\$ 0.69	\$ 0.87	\$ 2.37	\$ 1.43
<b>FFO as adjusted for comparability</b>	<b>\$ 235,090</b>	<b>\$ 204,170</b>	<b>\$ 243,636</b>	<b>\$ 684,823</b>	<b>\$ 620,741</b>
<b>Per diluted share</b>	<b>\$ 1.24</b>	<b>\$ 1.08</b>	<b>\$ 1.29</b>	<b>\$ 3.61</b>	<b>\$ 3.29</b>
FFO	\$ 236,039	\$ 217,362	\$ 323,381	\$ 779,506	\$ 684,247
FFO - Operating Partnership Basis ("OP Basis")	\$ 251,331	\$ 230,783	\$ 343,470	\$ 828,923	\$ 726,610
Per diluted share	\$ 1.25	\$ 1.15	\$ 1.71	\$ 4.11	\$ 3.63
FAD	\$ 151,144	\$ 158,169	\$ 138,439	\$ 442,528	\$ 499,411
Per diluted share	\$ 0.80	\$ 0.84	\$ 0.73	\$ 2.33	\$ 2.65
Dividends per common share	\$ 0.63	\$ 0.73	\$ 0.63	\$ 1.89	\$ 2.19
FFO payout ratio (based on FFO as adjusted for comparability)	50.8%	67.6%	48.8%	52.4%	66.6%
FAD payout ratio	78.8%	86.9%	86.3%	81.1%	82.6%
Weighted average shares used in determining FFO per diluted share - REIT basis	189,581	188,812	189,600	189,524	188,592
Convertible units:					
Class A	11,105	10,651	10,673	10,819	10,655
D-13	504	446	458	467	471
G1-G4	86	84	87	93	86
Equity awards - unit equivalents	587	477	560	636	464
Weighted average shares used in determining FFO per diluted share - OP Basis	<u>201,863</u>	<u>200,470</u>	<u>201,378</u>	<u>201,539</u>	<u>200,268</u>

## RECONCILIATION OF NET INCOME TO FFO <sup>(1)</sup>

(unaudited and in thousands, except per share amounts)

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2015	2014	2015	2015	2014
<b>Reconciliation of our net income to FFO:</b>					
Net income attributable to Vornado	\$ 219,234	\$ 151,524	\$ 186,016	\$ 509,327	\$ 331,249
Depreciation and amortization of real property	134,623	123,578	129,296	382,175	387,549
Net gains on sale of real estate	(135,557)	(57,796)	-	(146,424)	(57,796)
Real estate impairment losses	-	-	-	256	20,842
Proportionate share of adjustments to equity in net loss of partially owned entities to arrive at FFO:					
Depreciation and amortization of real property	38,131	26,604	32,282	106,685	93,416
Net gains on sale of real estate	-	(760)	(4,513)	(4,513)	(760)
Real estate impairment losses	2,313	-	10,304	12,617	-
Income tax effect of above adjustments	-	(207)	-	-	(7,287)
Noncontrolling interests' share of above adjustments	(2,364)	(5,240)	(9,662)	(20,473)	(21,916)
FFO attributable to Vornado	256,380	237,703	343,723	839,650	745,297
Preferred share dividends	(20,364)	(20,365)	(20,365)	(60,213)	(61,099)
FFO attributable to common shareholders	236,016	217,338	323,358	779,437	684,198
Convertible preferred share dividends	23	24	23	69	49
FFO attributable to common shareholders plus assumed conversions	236,039	217,362	323,381	779,506	684,247
Add back of income allocated to noncontrolling interests of the Operating Partnership	15,292	13,421	20,089	49,417	42,363
<b>FFO - OP Basis <sup>(1)</sup></b>	<b>\$ 251,331</b>	<b>\$ 230,783</b>	<b>\$ 343,470</b>	<b>\$ 828,923</b>	<b>\$ 726,610</b>
<b>FFO per diluted share <sup>(1)</sup></b>	<b>\$ 1.25</b>	<b>\$ 1.15</b>	<b>\$ 1.71</b>	<b>\$ 4.11</b>	<b>\$ 3.63</b>

(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 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 flows as a liquidity measure. FFO may not be comparable to similarly titled measures employed by other companies.





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## RECONCILIATION OF FFO TO FFO AS ADJUSTED FOR COMPARABILITY

(unaudited and in thousands, except per share amounts)

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2015	2014	2015	2015	2014
FFO attributable to common shareholders plus assumed conversions	(A) \$ 236,039	\$ 217,362	\$ 323,381	\$ 779,506	\$ 684,247
Per diluted share	\$ 1.25	\$ 1.15	\$ 1.71	\$ 4.11	\$ 3.63
<i>Items that affect comparability income:</i>					
FFO from discontinued operations and sold properties (including UE spin-off related costs of \$5,828 and \$327 in the three months ended September 30, 2014 and June 30, 2015, respectively, and \$22,972 and \$9,343 in the nine months ended September 30, 2015 and 2014, respectively)	3,671	41,240	2,572	16,891	134,668
Acquisition and transaction related costs	(1,518)	(1,277)	(4,061)	(7,560)	(3,629)
Impairment loss and loan loss reserve on investment in Suffolk Downs	(595)	(10,263)	-	(595)	(10,263)
Toys "R" Us ("Toys") FFO (negative FFO)	46	(18,035)	500	2,000	(60,630)
Reversal of allowance for deferred tax assets (re: taxable REIT subsidiary's ability to utilize NOLs)	-	-	90,030	90,030	-
Our share of impairment loss on India real estate venture's non-depreciable					