
Section 1: 425 (425)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 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): **January 17, 2007**

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. 000-22635
(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) (Vornado Realty Trust only)
 - 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 8.01. Other Events.

On January 17, 2007, Vornado Realty Trust submitted a proposal with Starwood Capital Group Global, LLC and Walton Street Capital, LLC to acquire Equity Office Properties Trust (NYSE: EOP) for \$52.00 per share or unit, payable 60% in cash and 40% in Vornado Realty Trust shares. The proposal would also provide EOP unitholders with the option to exchange their units for units of Vornado Realty L.P. The foregoing summary is qualified in its entirety by reference to the copy of the bid letter delivered to EOP attached as Exhibit 99.1 hereto and incorporated herein by reference. Also on January 17, 2007, Vornado Realty Trust issued a press release announcing the submission of the proposal to EOP. A copy of that press release is attached hereto and incorporated herein by reference to Exhibit 99.2 hereto.

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 Vornado Realty Trust and Vornado Realty L.P. 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 of financing commitments and general competitive factors. More detailed information about these risks, uncertainties and other factors is set forth in the Annual Report on Form 10-K for the fiscal year ended December 31, 2005 of Vornado Realty Trust and in its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2006. Risks and uncertainties relating to the proposed transaction include the risks that: EOP will not enter into any definitive agreement with Vornado, Starwood and Walton Street or the terms of any agreement will be materially different from those described above; the parties will not obtain the requisite debt financing for the transaction; the anticipated benefits of the transaction will not be realized; and the proposed transactions will not be consummated. Vornado Realty Trust and Vornado Realty L.P. are under no obligation to, and expressly disclaim any such obligation to, update or alter their respective forward-looking statements.

Additional Information About the Proposed Transaction and Where to Find It:

This material relates to a business combination transaction with EOP proposed by Dove Parent (an entity formed by Vornado, Starwood and Walton Street), which may become the subject of a registration statement filed with the SEC. This material is not a substitute for the joint proxy statement/prospectus that Vornado, Dove Parent and EOP would file with the Securities and Exchange Commission (“SEC”) if any agreement is reached or any other documents which Vornado or Dove Parent may send to shareholders in connection with the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS IF, AND WHEN, THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. All such documents, if filed, would be available free of charge at the SEC’s website (www.sec.gov) or by directing a request to Vornado, Investor Relations, 210 Route 4 East, Paramus, NJ 07652.

Participants in the Solicitation:

Vornado, Starwood, Walton Street, Dove Parent LLC and their trustees, directors, partners, managers, executive officers and other employees may be deemed to be participants in any solicitation of Vornado and EOP shareholders in connection with the proposed transaction.

Information about Vornado’s trustees and executive officers is available in Vornado’s proxy statement, dated May 1, 2006 for its 2006 annual meeting of stockholders.

Starwood Capital Group has been a leader in real estate investments since its inception in 1991. Its investors are international and include some of the United States’ largest state and corporate pension funds, endowments and high-net worth families from around the world. Currently, Starwood Capital manages a real estate portfolio valued at over \$12 billion, through offices in Greenwich, Connecticut, Atlanta, San Francisco, Washington D.C., London, Tokyo and Mumbai. In the past fifteen years, Starwood Capital has closed real estate transactions totaling in excess of \$30 billion. Starwood Capital has invested in nearly every class of real estate on a global basis, including office, retail, residential, senior housing, golf, hotels, resorts and industrial assets. In addition to the recapitalization, reorganization and expansion of a troubled real estate investment trust to become what is today Starwood Hotels, Starwood Capital, in partnership with affiliates of Goldman Sachs, acquired National Golf Properties/American Golf Corporation in 2003, the largest owner/operators of golf courses and related facilities in the US. Most recently, a Starwood Capital controlled affiliate closed the acquisition of Groupe Taittinger/Société du Louvre, Europe’s second largest hotel network, in a \$3.2 billion transaction. Société du Louvre owns and operates a unique collection of 14 luxury hotels with over 3,000 rooms in France, Switzerland and Germany, and the second largest budget hotel chain in Europe.

Walton Street Capital, LLC is a private real estate investment company, which, has acquired over \$9.0 billion of real estate on behalf of public and corporate pension funds, foreign institutions, insurance companies and banks, endowments and foundations, trusts and high net worth individuals. Walton Street has invested in all sectors of real estate, including office, hotel, golf, retail, senior and student housing, multi-family and industrial properties through both individual, portfolio and company-level transactions in the U.S., Europe, Japan and Mexico. Prior to forming Walton Street in 1995, the founding principals of Walton Street were part of the senior management of JMB Realty Corporation and its affiliates, which acquired in excess of \$25 billion of real estate.

Dove Parent is a newly formed entity formed for the purpose of making the proposal to Equity Office Properties.

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

(d) Exhibits.

99.1 Proposal, dated January 17, 2007, of Dove Parent LLC to Equity Office Properties Trust.

99.2 Press Release, dated January 17, 2007.

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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/ Joseph Macnow
Name: Joseph Macnow
Title: Executive Vice President - Finance and Administration and
Chief Financial Officer

Date: January 17, 2007

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/ Joseph Macnow
Name: Joseph Macnow
Title: Executive Vice President - Finance and Administration and
Chief Financial Officer

Date: January 17, 2007

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Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1

DOVE PARENT LLC

January 17, 2007

Board of Trustees
Equity Office Properties Trust
Two North Riverside Plaza, Suite 200
Chicago, Illinois 60606

Attention: Sam Zell
Chairman of the Board of Trustees

Dear Mr. Zell:

We are pleased to submit this proposal to acquire all of the outstanding shares and units of Equity Office Properties Trust and its operating partnership (collectively, "EOP") on behalf of Dove Parent LLC ("we" or "Dove"), a limited liability company formed by Vornado Realty Trust, Starwood Capital Group Global, LLC and Walton Street Capital, LLC.

We propose to acquire all of the outstanding shares and units of EOP for \$52.00 per share (or unit), payable 60% in cash and 40% in Vornado shares. This proposal provides EOP shareholders and unitholders with approximately \$1.6 billion of additional aggregate value (a 7.2% premium) over the Blackhawk transaction. We would also provide unitholders with the option to exchange their units for units of Vornado Realty L.P.

We currently expect that Vornado Realty Trust will acquire and retain approximately half the portfolio and the other members of Dove will acquire the remainder. We intend to finance the purchase with approximately \$13.4 billion of equity, consisting of Vornado shares and units with a value of approximately \$10.6 billion and approximately \$2.8 billion in cash provided by equity contributions, and \$25.8 billion in debt. We and our financing sources — Lehman Brothers, JPMorgan, Barclays Capital, UBS Securities and RBS Greenwich Capital — are highly confident that sufficient debt financing will be available for this transaction. Our collective financial resources, significant experience in real estate, and proven ability to close large complex transactions make us a highly qualified buyer. Additional information regarding each of the members of Dove is included at the end of this letter.

This transaction will create the largest office REIT in the U.S. with the preeminent position in the best markets on both coasts. Our proposal offers your shareholders a premium to the current Blackhawk transaction while also providing those who wish to, with the opportunity to participate in the up-side of Vornado. We are confident that your shareholders and unitholders — and the market overall — will enthusiastically support this transaction.

We are prepared to enter into a merger agreement having substantially the same terms as the one you entered into with Blackhawk (with customary changes providing for the stock component of the consideration). We do not envision any difficulty in finalizing that document promptly. We are prepared and eager to meet with you immediately at any place and time to address any questions you may have and to move rapidly toward executing a definitive agreement.

Our proposal is subject to completion of a confirmatory due diligence review of EOP, consistent with the review conducted by Blackhawk. We, our advisors and our financing sources are standing by to commence that review immediately and to devote all necessary resources to completing the task promptly and efficiently. We are prepared to immediately enter into a confidentiality agreement, which is at least as favorable to you as your confidentiality agreement with Blackhawk.

This letter is not intended to create or constitute any legally binding obligation by us regarding the proposed transaction, and, other than any confidentiality agreement we may enter into with you, there will be no legally binding agreement between us regarding the proposed transaction unless and until a definitive merger agreement is executed.

We have great respect for EOP, its businesses, operations, management and employees, and this transaction is our highest priority. We are enthusiastic about this transaction and believe the terms of our proposal provide the best way to maximize value for your shareholders and unitholders.

We and our financial advisors, Lehman Brothers, J.P. Morgan and UBS Investment Bank, and our legal advisors, Sullivan & Cromwell and Wachtell, Lipton, Rosen & Katz, are prepared to move forward immediately with our proposal. Please do not hesitate to contact:

- Steven Roth (212-894-7400; sroth@vno.com) or Mike Fascitelli (212-894-7900; mfascitelli@vno.com) of Vornado
- Barry Sternlicht (203-422-7800; sternlicht1@starwood.com) or Rick Kleeman (203-422-7710; kleeman@starwood.com) of Starwood Capital
- Neil Bluhm (312-915-1001; neilb@waltonst.com) or Jeff Quicksilver (312-915-2843; quicksilver@waltonst.com) of Walton Street Capital
- Michael DeMarco (212-526-5766; mjdemarc@lehman.com) or Mark Walsh (212-526-2158; mawalsh@lehman.com) of Lehman Brothers
- Peter Baccile (212-622-4466; Peter.Baccile@jpmorgan.com) or James Lee (212-270-1301; james.b.lee@jpmorgan.com) of J.P. Morgan
- Avrum Lewittes (212-821-5231; Avi.Lewittes@ubs.com) of UBS Investment Bank

-
- Joe Shenker (212-558-3768; shenkerj@sullcrom.com) of Sullivan & Cromwell
 - Adam Emmerich (212-403-1234; aoemmerich@wlrk.com) of Wachtell Lipton

We believe that our proposal presents a compelling opportunity for you and your shareholders and unitholders, and look forward to your prompt response, and to working with you to complete a transaction.

[The next page is the signature page]

Very truly yours,

DOVE PARENT LLC

By its undersigned members:

Vornado Realty Trust

By:

Starwood Capital Group Global, LLC

By: /s/ Barry S. Sternlicht
Name: Barry S. Sternlicht
Title: Chairman and Chief Executive Officer

Walton Street Capital, LLC

By: /s/ Neil G. Bluhm
Name: Neil G. Bluhm
Title: Principal

About Vornado Realty Trust

Vornado Realty Trust, has a total market capitalization in excess of \$34 billion, with equity at market of almost \$23 billion and an investment grade credit rating. Vornado trades on the New York Stock Exchange under the symbol VNO, is a member of the S&P 500 index and is the fourth largest publicly traded real estate investment trust (REIT) in the United States. Vornado owns and manages over 100 million square feet of properties nationwide.

About Starwood Capital Group

Starwood Capital Group has been a leader in real estate investments since its inception in 1991. Its investors are international and include some of the United States' largest state and corporate pension funds, endowments and high-net worth families from around the world. Currently, Starwood Capital manages a real estate portfolio valued at over \$12 billion, through offices in Greenwich, Connecticut, Atlanta, San Francisco, Washington D.C., London, Tokyo and Mumbai. In the past fifteen years, Starwood Capital has closed real estate transactions totaling in excess of \$30 billion. Starwood Capital has invested in nearly every class of real estate on a global basis, including office, retail, residential, senior housing, golf, hotels, resorts and industrial assets. In addition to the recapitalization, reorganization and expansion of a troubled real estate investment trust to become what is today Starwood Hotels, Starwood Capital, in partnership with affiliates of Goldman Sachs, acquired National Golf Properties/American Golf

Corporation in 2003, the largest owner/operators of golf courses and related facilities in the US. Most recently, a Starwood Capital controlled affiliate closed the acquisition of Groupe Taittinger/Société du Louvre, Europe's second largest hotel network, in a \$3.2 billion transaction. Société du Louvre owns and operates a unique collection of 14 luxury hotels with over 3,000 rooms in France, Switzerland and Germany, and the second largest budget hotel chain in Europe.

About Walton Street Capital, LLC

Walton Street Capital, LLC is a private real estate investment company, which, has acquired over \$9.0 billion of real estate on behalf of public and corporate pension funds, foreign institutions, insurance companies and banks, endowments and foundations, trusts and high net worth individuals. Walton Street has invested in all sectors of real estate, including office, hotel, golf, retail, senior and student housing, multi-family and industrial properties through both individual, portfolio and company-level transactions in the U.S., Europe, Japan and Mexico.

Prior to forming Walton Street in 1995, the founding principals of Walton Street were part of the senior management of JMB Realty Corporation and its affiliates, which acquired in excess of \$25 billion of real estate.

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Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2

VORNADO
REALTY TRUST
210 Route 4 East
Paramus, NJ 07652

FOR IMMEDIATE RELEASE – January 17, 2007

Vornado, Starwood and Walton Street offer to buy Equity Office Properties for \$52.00 per share in cash and stock

Vornado would become the preeminent office REIT in key markets on both coasts

PARAMUS, NEW JERSEY — Vornado Realty Trust (NYSE: VNO) today announced that it has submitted a proposal with Starwood Capital and Walton Street to acquire Equity Office Properties Trust (NYSE: EOP) for \$52.00 per share or unit, payable 60% in cash and 40% in Vornado shares. The proposal would also provide EOP unitholders with the option to exchange their units for units of Vornado Realty LP.

At closing, Vornado would acquire and retain approximately half of EOP's assets located in the major markets on the east and west coasts; Starwood and Walton would acquire the remaining assets. Vornado anticipates funding its share of the acquisition by issuing approximately \$10.6 billion in value of its shares and units and the balance with debt. Vornado expects this transaction to be accretive to Funds From Operations per share.

The combination of Vornado's existing portfolio and the assets it would acquire from EOP would create preeminent positions in the New York City, Washington, Boston, San Francisco and Los Angeles markets.

Further, in conjunction with the transaction, Vornado plans to sell or co-venture selected assets.

As previously disclosed, an affiliate of Blackstone has agreed to acquire EOP. There can be no assurance that EOP will be willing to terminate its agreement with Blackstone and enter into a merger agreement with Vornado, Starwood and Walton Street, and if EOP does enter into such a merger agreement there can be no assurance about the terms of that agreement. In addition, any agreement that EOP enters into with Vornado, Starwood and Walton Street will be subject to a variety of conditions, and there can be no assurance that the acquisition will close.

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 Vornado 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 of financing commitments and general competitive factors. More detailed information about these risks, uncertainties and other factors is set forth in Vornado's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and in its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2006. Risks and uncertainties relating to the proposed transaction include the risks that: EOP will not enter into any definitive agreement with Vornado, Starwood and Walton Street or the terms of any agreement will be materially different from those described above; the parties will not obtain the requisite debt financing for the transaction; the anticipated benefits of the transaction will not be realized; and the

proposed transactions will not be consummated. Vornado is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements.

Additional Information About the Proposed Transaction and Where to Find It:

This material relates to a business combination transaction with EOP proposed by Dove Parent (an entity formed by Vornado, Starwood and Walton Street), which may become the subject of a registration statement filed with the SEC. This material is not a substitute for the joint proxy statement/prospectus that Vornado, Dove Parent and EOP would file with the Securities and Exchange Commission ("SEC") if any agreement is reached or any other documents which Vornado or Dove Parent may send to shareholders in connection with the proposed transaction. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND ALL OTHER RELEVANT DOCUMENTS IF, AND WHEN, THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** All such documents, if filed, would be available free of charge at the SEC's website (www.sec.gov) or by directing a request to Vornado, Investor Relations, 210 Route 4 East, Paramus, NJ 07652.

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Dove Parent is a newly formed entity formed for the purpose of making the proposal to Equity Office Properties.

Contact:

Investors: Vornado Realty Trust
Joseph Macnow, 201-587-1000

Media: Kekst and Company
Roanne Kulakoff, 212-521-4837
Wendi Kopsick, 212-521-4867