

**Section 1: 10-Q (FORM 10-Q)**

EXHIBIT INDEX ON PAGE 28

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: MARCH 31, 2001

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-22635

VORNADO REALTY L.P.

(Exact name of registrant as specified in its charter)

DELAWARE

13-3925979

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification Number)

888 SEVENTH AVENUE, NEW YORK, NEW YORK

10019

(Address of principal executive offices)

(Zip Code)

(212) 894-7000

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since  
last report)

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days.

Yes  No

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PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS

## VORNADO REALTY L.P.

CONSOLIDATED BALANCE SHEETS  
(amounts in thousands except unit amounts)

	MARCH 31, 2001	DECEMBER 31, 2000
	-----	-----
ASSETS		
Real estate, at cost:		
Land .....	\$ 888,211	\$ 870,023
Buildings and improvements .....	3,431,954	3,328,760
Development costs and construction-in-progress .....	178,630	66,264
Leasehold improvements and equipment .....	42,369	29,795
	-----	-----
Total .....	4,541,164	4,294,842
Less accumulated depreciation and amortization .....	(435,027)	(393,787)
	-----	-----
Real estate, net .....	4,106,137	3,901,055
Cash and cash equivalents, including U.S. government obligations under repurchase agreements of \$24,328 and \$27,793 .....	111,983	136,989
Escrow deposits and restricted cash .....	185,264	214,359
Marketable securities .....	119,988	120,340
Investments and advances to partially-owned entities, including Alexander's of \$187,848 and \$178,413 .....	1,307,145	1,459,211
Due from officers .....	19,421	20,549
Accounts receivable, net of allowance for doubtful accounts of \$9,335 and \$9,343 .....	51,610	47,937
Notes and mortgage loans receivable .....	197,791	188,722
Receivable arising from the straight-lining of rents .....	119,945	111,504
Other assets .....	255,723	169,648
	-----	-----

TOTAL ASSETS .....	\$ 6,475,007	\$ 6,370,314
	=====	=====
	MARCH 31,	DECEMBER 31,
	2001	2000
	-----	-----
LIABILITIES AND PARTNERS' CAPITAL		
Notes and mortgages payable .....	\$ 2,288,244	\$ 2,231,897
Revolving credit facility .....	456,307	425,000
Accounts payable and accrued expenses .....	134,832	130,464
Officer's compensation payable .....	35,382	38,424
Deferred leasing fee income .....	7,724	7,852
Other liabilities .....	1,855	1,798
	-----	-----
Total liabilities .....	2,924,344	2,835,435
	-----	-----
Minority interest .....	15,103	15,462
	-----	-----
Commitments and contingencies		
Partners' Capital:		
Equity .....	3,644,782	3,634,913
Accumulated deficit .....	(88,720)	(90,366)
	-----	-----
Accumulated other comprehensive loss .....	3,556,062	3,544,547
Due from officers for purchase of		
limited partnership units of beneficial		
interest .....	(4,704)	(4,704)
	-----	-----
Total partners' capital .....	3,535,560	3,519,417
	-----	-----
TOTAL LIABILITIES AND		
PARTNERS' CAPITAL .....	\$ 6,475,007	\$ 6,370,314
	=====	=====

See notes to consolidated financial statements.

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VORNADO REALTY L.P.  
CONSOLIDATED STATEMENTS OF INCOME

(amounts in thousands except per unit amounts)

	FOR THE THREE MONTHS ENDED	
	MARCH 31,	
	2001	2000
	-----	-----
Revenues:		
Property rentals .....	\$ 182,816	\$ 166,892
Expense reimbursements .....	35,092	26,807
Hotel .....	11,513	--
Trade shows .....	10,389	--
Other income (including fee income		
from related parties of \$370 and \$327) .....	2,800	1,580
	-----	-----

Total revenues .....	242,610	195,279
	-----	-----
Expenses:		
Operating .....	100,383	76,305
Depreciation and amortization .....	31,865	23,253
General and administrative .....	14,248	10,197
Costs of acquisitions not consummated .....	5,000	--
	-----	-----
Total expenses .....	151,496	109,755
	-----	-----
Operating income .....	91,114	85,524
Income applicable to Alexander's .....	12,304	4,107
Income from partially-owned entities .....	23,990	22,550
Interest and other investment income .....	13,473	5,759
Write-off of investment in technology company .....	(4,723)	--
Interest and debt expense .....	(49,395)	(39,347)
Net gain on sale of real estate .....	--	2,560
Minority interest .....	(359)	(490)
	-----	-----
Income before cumulative effect of change in accounting principle and extraordinary item .....	86,404	80,663
Cumulative effect of change in accounting principle .....	(4,110)	--
Extraordinary item .....	1,170	(1,125)
	-----	-----
Net income .....	83,464	79,538
Preferred unit distributions (including accretion of issuance expenses of \$719 in each period) .....	(9,673)	(9,673)
Preferential allocations .....	(23,309)	(19,342)
	-----	-----
NET INCOME applicable to Class A units .....	\$ 50,482	\$ 50,523
	=====	=====
NET INCOME PER CLASS A UNIT - BASIC .....	\$ .54	\$ .55
	=====	=====
NET INCOME PER CLASS A UNIT - DILUTED .....	\$ .52	\$ .54
	=====	=====
DIVIDENDS PER CLASS A UNIT .....	\$ .53	\$ .48
	=====	=====

See notes to consolidated financial statements.

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VORNADO REALTY L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income .....	\$ 83,464	\$ 79,538
Adjustments to reconcile net income to net cash provided by operations:		
Cumulative effect of change in accounting principle .....	4,110	--
Extraordinary item .....	(1,170)	1,125
Minority interest .....	359	490
Net gain on sale of real estate .....	--	(2,560)
Write-off of investment in technology company .....	4,723	--
Depreciation and amortization (including debt issuance costs) .....	31,865	23,253
Straight-lining of rental income .....	(7,895)	(8,110)
Equity in income of Alexander's (including depreciation of \$150 in each period) .....	(12,304)	(4,107)
Equity in net income of partially-owned entities .....	(23,990)	(22,550)
Gain on sale of marketable securities .....	(116)	--
Changes in operating assets and liabilities .....	5,331	(21,830)
	-----	-----
Net cash provided by operating activities .....	84,377	45,249
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Development costs and construction in progress .....	(40,577)	(10,228)
Proceeds from sale of real estate .....	--	23,992
Investments in partially-owned entities .....	(13,378)	(26,564)

Distributions from partially-owned entities .....	17,163	15,490
Investment in notes and mortgage loans receivable .....	(10,069)	(6,000)
Repayment of notes and mortgage loans receivable .....	1,000	--
Cash restricted for tenant improvements .....	29,095	(1,055)
Additions to real estate .....	(27,161)	(10,380)
Purchases of marketable securities .....	(5,000)	(7,427)
Acquisitions of real estate and other .....	--	(6,660)
Proceeds from sale of marketable securities .....	742	--
Real estate deposits and other .....	1,476	--
	-----	-----
Net cash used in investing activities .....	(46,709)	(28,832)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings .....	74,160	565,000
Repayments of borrowings .....	(56,513)	(522,506)
Debt issuance costs .....	--	(17,996)
Preferential distributions .....	(27,290)	(5,470)
Dividends paid on Class A units .....	(45,191)	(44,465)
Distributions to preferred unitholders .....	(8,972)	--
Exercise of unit options .....	1,132	1,096
	-----	-----
Net cash used in financing activities .....	(62,674)	(24,341)
	-----	-----
Net decrease in cash and cash equivalents .....	(25,006)	(7,924)
Cash and cash equivalents at beginning of period .....	136,989	112,630
	-----	-----
Cash and cash equivalents at end of period .....	\$ 111,983	\$ 104,706
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (including capitalized interest of \$3,570 in 2001 and \$2,094 in 2000) .....	\$ 50,385	\$ 39,543
NON-CASH TRANSACTIONS:		
Financing assumed in acquisitions .....	\$ --	\$ 17,640
Unrealized gain on securities available for sale .....	677	52,779

See notes to consolidated financial statements.

VORNADO REALTY L.P.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Vornado Realty L.P. (the "Operating Partnership") is a Delaware limited partnership. Vornado Realty Trust ("Vornado"), a fully-integrated real estate investment trust ("REIT"), is the sole general partner of, and owns approximately 86% of the limited partnership common interest in, the Operating Partnership at May 1, 2001. All references to the "Company" refer to Vornado and its consolidated subsidiaries, including the Operating Partnership.

2. BASIS OF PRESENTATION

The consolidated balance sheet as of March 31, 2001, the consolidated statements of income for the three months ended March 31, 2001 and 2000 and the consolidated statements of changes in cash flows for the three months ended March 31, 2001 and 2000 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in Operating Partnership's annual report on Form 10-K for the year ended December 31, 2000 as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the operating results for the full year.

The accompanying consolidated financial statements include the accounts of Vornado Realty L.P., as well as equity interests acquired that individually (or in the aggregate with prior interests) exceed a 50% interest and the Company exercises unilateral control. All significant intercompany amounts have been eliminated. Equity interests in partially-owned entities include partnerships and joint ventures and are accounted for under the equity method of accounting as the Company exercises significant influence. These investments are recorded initially at cost and subsequently adjusted for net equity in income (loss) and cash contributions and distributions. Prior to January 1, 2001, the Company's

equity interests in partially-owned entities also included investments in preferred stock affiliates (corporations in which the Company owned all of the preferred stock and none of the common equity). Ownership of the preferred stock entitled the Company to substantially all of the economic benefits in the preferred stock affiliates. On January 1, 2001, the Company acquired the common stock of the preferred stock affiliates, which was owned by Officers and Trustees of Vornado, and converted them to taxable REIT subsidiaries. Accordingly, the Hotel portion of the Hotel Pennsylvania, the Company's investment in the Park Laurel (including the minority interest for the 20% the Company does not own) and the management companies (which provide services to the Company's business segments and operate the Trade Show business of the Merchandise Mart division) have been consolidated beginning January 1, 2001.

Management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation.

### 3. RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board (FASB) has issued Statement of Financial Accounting Standards No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES, as amended, which establishes accounting and reporting standards requiring every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative instrument's fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

The Company's investment securities include stock purchase warrants received from companies that provide fiber-optic network and broadband access to the Company's Office division tenants. Statement 133 requires these warrants to be marked-to-market at each reporting period with the change in value recognized currently in earnings.

The Company previously has marked-to-market changes in value through accumulated other comprehensive loss. Under Statement 133, those changes are recognized through earnings, and accordingly, the Company has reclassified \$4,110,000 from accumulated other comprehensive loss to the consolidated statement of income as of January 1, 2001. Future changes in value of such securities will be recorded through earnings.

## VORNADO REALTY L.P.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

### 4. FINANCINGS

On January 11, 2001, the Company completed a \$105,000,000 refinancing of its 888 Seventh Avenue office building. The loan bears interest at a fixed rate of 6.6% and matures on February 11, 2006. A portion of the proceeds received were used to repay the then existing mortgage of \$55,000,000.

### 5. INVESTMENTS AND ADVANCES TO PARTIALLY-OWNED ENTITIES

The Company's investments and advances to partially-owned entities and income recognized from such investments are as follows:

#### INVESTMENTS AND ADVANCES

	March 31, 2001	December 31, 2000
	-----	-----
(amounts in thousands)		
Temperature Controlled Logistics.....	\$ 477,806	\$ 469,613
Charles E. Smith Commercial Realty L.P. ("CESCR")....	327,306	325,328
Alexander's.....	187,848	178,413
Newkirk Joint Ventures.....	175,602	163,157
Hotel Pennsylvania (1).....	--	73,531
Partially-Owned Office Buildings.....	61,520	61,002
Vornado Ceruzzi Joint Ventures.....	26,231	28,847
Fort Lee.....	29,922	28,208
Park Laurel (2).....	--	70,007
Management companies and other (2).....	20,910	61,105
	-----	-----
	\$ 1,307,145	\$ 1,459,211
	=====	=====

INCOME	For The Three Months Ended March 31,	
	2001	2000
	-----	-----
(amounts in thousands)		
Income applicable to Alexander's:		
33.1% share of equity in income.....	\$ 7,156(3)	\$ 307
Interest Income.....	3,427	2,737
Management and leasing fee income.....	1,721(3)	1,063
	-----	-----
	\$ 12,304	\$ 4,107
	=====	=====
Temperature Controlled Logistics:		
60% share of equity in net income.....	\$ 4,464	\$ 8,075
Management fee (40% of 1% per annum of Total Combined Assets, as defined).....	1,484	1,323
	-----	-----
	5,948	9,398
CESCR-34% share of equity in income.....	7,367	6,729
Newkirk Joint Ventures.....	7,969	4,336
Hotel Pennsylvania (1).....	--	421
Partially-Owned Office Buildings (4).....	1,264	700
Other.....	1,442	966
	-----	-----
	\$ 23,990	\$ 22,550
	=====	=====

- 
- (1) As of December 31, 2000, the Company owned 100% of the commercial portion of the building (retail and office space) and 98% of the hotel portion which was owned through a preferred stock affiliate. On January 1, 2001, the Company acquired the common stock of the preferred stock affiliate and converted it to a taxable REIT subsidiary. Accordingly, the Hotel portion is also consolidated in 2001.
  - (2) On January 1, 2001, the Company acquired the common stock of the preferred stock affiliates and converted them to taxable REIT subsidiaries. Accordingly, the Park Laurel and the management companies are consolidated in 2001.
  - (3) Equity in income includes \$6,298 representing the Company's share of Alexander's gain on sale of its Fordham Road property on January 12, 2001 and excludes \$1,170 representing the Company's share of Alexander's extraordinary gain on the early extinguishment of debt on this property which is reflected as an extraordinary item on the consolidated statements of income. Management and leasing fee income include a fee of \$520 paid to the Company in connection with the sale.
  - (4) Represents the Company's interests in 330 Madison Avenue (24.8%), and 570 Lexington Avenue (50%).

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VORNADO REALTY L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

TEMPERATURE CONTROLLED LOGISTICS

On February 22, 2001, the Landlord restructured the AmeriCold Logistics leases to among other things, (i) reduce 2001's contractual rent to \$146,000,000 (the same amount recognized as rental income in 2000's Funds from Operations), (ii) reduce 2002's contractual rent to \$150,000,000 (plus additional contingent rent in certain circumstances), (iii) increase the Landlord's share of annual maintenance capital expenditures by \$4,500,000 to \$9,500,000 effective January 1, 2000 and (iv) extend the deferred rent period to December 31, 2003 from March 11, 2002.

The tenant has advised the Landlord that its revenue for February and March of this year from the warehouses it leases from the Landlord, is lower than last year by 8.2% primarily due to a reduction in units stored at the warehouses.

ALEXANDER'S

Alexander's is managed by and its properties are leased by the Company, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable.

At March 31, 2001, the Company has loans receivable from Alexander's of

\$119,000,000 including \$24,000,000 drawn under the \$50,000,000 line of credit the Company granted to Alexander's on August 1, 2000. On March 15, 2001, the interest rate on these loans was reset from 15.72% to 13.74%, using the same spread to treasuries as previously used.

On January 12, 2001, Alexander's sold its Fordham Road property for \$25,500,000, which resulted in a gain of \$19,026,000, of which the Company's share was \$6,298,000. In addition, Alexander's paid off the mortgage on this property at a discount, which resulted in an extraordinary gain from the early extinguishment of debt of \$3,534,000, of which the Company's share was \$1,170,000. The Company also received a commission of \$520,000 in connection with this sale.

#### 6. OTHER RELATED PARTY TRANSACTIONS

The Company currently manages and leases the real estate assets of Interstate Properties pursuant to a management agreement. Management fees earned by the Company pursuant to the management agreement were \$370,000 and \$187,000 for the three months ended March 31, 2001 and 2000.

The Mendik Group owns an entity, which provides cleaning and related services and security services to office properties, including the Company's Manhattan office properties. The Company was charged fees in connection with these contracts of \$12,900,000 and \$11,934,000 for the three months ended March 31, 2001 and 2000.

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#### VORNADO REALTY L.P.

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

#### 7. PARTNERS' CAPITAL

The following table sets forth the details of partners' capital at March 31, 2001 and December 31, 2000.

Unit Series	Outstanding Units at		Per Unit	Preferred or	Conversion
Unit Series	March 31, 2001	December 31, 2000	Liquidation Preference	Annual Distribution Rate	Rate Into Class A Units
-----	-----	-----	-----	-----	-----
Convertible Preferred:					
Series A .....	5,789,239	5,789,239	\$ 50.00	\$ 3.25	--
5.0% B-1 Convertible Preferred	899,566	899,566	\$ 50.00	\$ 2.50	.914
8.0% B-2 Convertible Preferred	449,783	449,783	\$ 50.00	\$ 4.00	.914
6.5% C-1 Convertible Preferred	747,912	747,912	\$ 50.00	\$ 3.25	1.1431
6.5% E-1 Convertible Preferred	4,998,000	4,998,000	\$ 50.00	\$ 3.25(a)	1.1364
Perpetual Preferred:(b)					
Series B .....	3,400,000	3,400,000	\$ 25.00	\$ 2.125	--
Series C .....	4,600,000	4,600,000	\$ 25.00	\$ 2.125	--
8.5% D-1 Cumulative					
Redeemable Preferred .....	3,500,000	3,500,000	\$ 25.00	\$ 2.125	N/A
8.375% D-2 Cumulative					
Redeemable Preferred .....	549,336	549,336	\$ 50.00	\$ 4.1875	N/A
8.25% D-3 Cumulative					
Redeemable Preferred .....	8,000,000	8,000,000	\$ 25.00	\$ 2.0625	N/A
8.25% D-4 Cumulative					
Redeemable Preferred .....	5,000,000	5,000,000	\$ 25.00	\$ 2.0625	N/A
8.25% D-5 Cumulative					
Redeemable Preferred .....	7,480,000	7,480,000	\$ 25.00	\$ 2.0625	N/A
8.25% D-6 Cumulative					
Redeemable Preferred .....	840,000	840,000	\$ 25.00	\$ 2.0625	N/A
8.25% D-7 Cumulative					
Redeemable Preferred .....	7,200,000	7,200,000	\$ 25.00	\$ 2.0625	N/A
8.25% D-8 Cumulative					
Redeemable Preferred .....	360,000	360,000	\$ 25.00	\$ 2.0625	N/A
	-----	-----			
	53,813,836	53,813,836			
	=====	=====			
General Partnership Interest (c)					
Limited Partnership Units:					
Class A(d) .....	93,505,491(e)	93,260,519(e)	--	\$ 2.12	N/A
Class D .....	864,259	869,387	--	\$ 2.12	1.0(f)
	-----	-----			
	94,369,750	94,129,906			
	=====	=====			



- (a) Increases to \$3.38 in March 2007.
- (b) Convertible at the option of the holder for an equivalent amount of the Company's preferred shares and redeemable at the Company's option after the 5th anniversary of the date of issuance (ranging from December 1998 to December 2000).
- (c) Vornado is the sole general partner.
- (d) Class A units are redeemable at the option of the holder for common shares of beneficial interest in Vornado, on a one-for-one basis, or at the Company's option for cash.
- (e) Included in Class A units are 86,855,243 and 86,803,770 units owned by the general partner at March 31, 2001 and December 31, 2000, respectively.
- (f) Mandatory conversion of Class D units into Class A units will occur after four consecutive quarters of distributions of at least \$.50375 per Class A unit (\$.2015 annually).

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VORNADO REALTY L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

8. INCOME PER CLASS A UNIT

The following table sets forth the computation of basic and diluted income per Class A Unit:

	For The Three Months Ended March 31,	
	2001	2000
	-----	-----
(amounts in thousands except per unit amounts)		
Numerator:		
Income before cumulative effect of change in accounting principle and extraordinary item ...	\$ 86,404	\$ 80,663
Cumulative effect of change in accounting principle .....	(4,110)	--
Extraordinary item .....	1,170	(1,125)
	-----	-----
Net income .....	83,464	79,538
Preferred unit distributions .....	(9,673)	(9,673)
Preferential allocations .....	(23,309)	(19,342)
	-----	-----
Numerator for basic and diluted income per Class A Unit - net income applicable to Class A Units .....	\$ 50,482	\$ 50,523
	=====	=====
Denominator:		
Denominator for basic income per Class A Unit - weighted average shares .....	93,743	92,629
Effect of dilutive securities:		
Employee unit options .....	2,554	1,376
	-----	-----
Denominator for diluted income per Class A Unit - adjusted weighted average Class A Units and assumed conversions .....	96,297	94,005
	=====	=====
INCOME PER CLASS A UNIT - BASIC:		
Income before cumulative effect of change in accounting principle and extraordinary item .	\$ .58	\$ .56
Cumulative effect of change in accounting principle .....	(.05)	--
Extraordinary item .....	.01	(.01)
	-----	-----
Net income per Class A Unit .....	\$ .54	\$ .55
	=====	=====
INCOME PER CLASS A UNIT - DILUTED:		
Income before cumulative effect of change in accounting principle and extraordinary item .	\$ .56	\$ .55
Cumulative effect of change in accounting principle .....	(.05)	--
Extraordinary item .....	.01	(.01)
	-----	-----
Net income per Class A Unit .....	\$ .52	\$ .54
	=====	=====

## VORNADO REALTY L.P.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

## 9. COMPREHENSIVE INCOME

The following table sets forth the Company's comprehensive income:

(amounts in thousands)	For The Three Months Ended March 31,	
	2001	2000
Net income applicable to Class A units .....	\$ 50,482	\$ 50,523
Adjustment to record cumulative effect of change in accounting principle .....	4,110	--
Other comprehensive income .....	518	52,200(1)
Comprehensive income .....	\$ 55,110	\$102,723
	=====	=====

-----  
(1) Primarily reflects the fluctuations in the market value of Vornado's investments in companies that provide fiber-optic networks and broadband access to the Company's Office division tenants. In the first quarter of 2000, the Company was required to record the unrealized appreciation on such securities of \$52,779. In the second quarter of 2000, the value of these securities decreased by \$54,456 and accordingly, the Company was required to record such decrease.

## 10. OTHER

The Company was unable to reach a final agreement with the Port Authority of NY & NJ to conclude a net lease of the World Trade Center. In the three months ended March 31, 2001, the Company wrote-off costs of \$5,000,000 primarily associated with the World Trade Center.

## VORNADO REALTY L.P.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

## 11. COMMITMENTS AND CONTINGENCIES

At March 31, 2001, in addition to the \$456,307,000 balance outstanding under the Company's revolving credit facility, the Company had utilized \$93,627,000 of availability under the facility for letters of credit and guarantees.

Each of the Company's properties has been subjected to varying degrees of environmental assessment at various times. The environmental assessments did not reveal any material environmental contamination. However, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites, or changes in cleanup requirements would not result in significant costs to the Company.

From time-to-time, the Company has disposed of substantial amounts of real estate to third parties for which, as to certain properties, it remains contingently liable for rent payments or mortgage indebtedness.

There are various legal actions against the Company in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the outcome of such matters will not have a material effect on the Company's financial condition, results of operations or cash flow.

## VORNADO REALTY L.P.

12. SEGMENT INFORMATION

The Company has four business segments: Office, Retail, Merchandise Mart Properties and Temperature Controlled Logistics. Prior to this year, income from the Company's preferred stock affiliates was included in Income from partially-owned entities. On January 1, 2001, the Company acquired the common stock of its preferred stock affiliates and converted these entities to taxable REIT subsidiaries. Accordingly, the Hotel portion of the Hotel Pennsylvania, the Company's investment in the Park Laurel (including the minority interest for the 20% the Company does not own) and the management companies (which provide services to the Company's business segments and operate the Trade Show business of the Merchandise Mart division) have been consolidated. Net income and EBITDA for the three months ended March 31, 2000 have been restated on a pro forma basis to reflect these entities as if consolidated as of January 1, 2000.

(amounts in thousands)	For The Three Months Ended March 31,					
	2001					
	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other(2)
Property rentals	\$ 182,816	\$ 113,860	\$ 28,137	\$ 36,616	\$ --	\$ 4,203
Expense reimbursements	35,092	19,041	11,295	3,973	--	783
Hotel	11,513	--	--	--	--	11,513
Trade shows	10,389	--	--	10,389	--	--
Other income	2,800	572	1,429	719	--	80
<b>Total revenues</b>	<b>242,610</b>	<b>133,473</b>	<b>40,861</b>	<b>51,697</b>	<b>--</b>	<b>16,579</b>
Operating expenses	100,383	55,761	15,412	21,132	--	8,078
Depreciation and amortization	31,865	18,644	4,463	6,442	--	2,316
General and administrative	14,248	3,370	23	4,595	--	6,260(4)
Costs of acquisitions not consummated	5,000	--	--	--	--	5,000
<b>Total expenses</b>	<b>151,496</b>	<b>77,775</b>	<b>19,898</b>	<b>32,169</b>	<b>--</b>	<b>21,654</b>
Operating income	91,114	55,698	20,963	19,528	--	(5,075)
Income applicable to Alexander's	12,304	--	--	--	--	12,304
Income from partially-owned entities	23,990	8,695	1,897	113	5,948	7,337
Interest and other investment income	13,473	2,298	--	663	--	10,512
Write-off of investment in technology company	(4,723)	--	--	--	--	(4,723)
Interest and debt expense	(49,395)	(16,607)	(14,149)	(9,669)	--	(8,970)
Net gain on sale of real estate	--	--	--	--	--	--
Minority interest	(359)	(359)	--	--	--	--
Income before cumulative effect of change in accounting principle and extraordinary item	86,404	49,725	8,711	10,635	5,948	11,385
Cumulative effect of change in accounting principle	(4,110)	--	--	--	--	(4,110)
Extraordinary item	1,170	--	--	--	--	1,170
<b>Net income</b>	<b>83,464</b>	<b>49,725</b>	<b>8,711</b>	<b>10,635</b>	<b>5,948</b>	<b>8,445</b>
Extraordinary item	(1,170)	--	--	--	--	(1,170)
Cumulative effect of change in accounting principle	4,110	--	--	--	--	4,110
Minority interest	359	359	--	--	--	--
Net gain on sale of real estate	--	--	--	--	--	--
Interest and debt expense(3)	73,254	27,447	14,791	9,669	6,713	14,634
Depreciation and amortization(3)	47,918	23,644	4,727	6,442	8,408	4,697
Straight-lining of rents(3)	(7,737)	(5,955)	(161)	(1,108)	--	(513)
Other	(10,557)	(2,090)	--	--	112	(8,579)(5)
<b>EBITDA(1)</b>	<b>\$ 189,641</b>	<b>\$ 93,130</b>	<b>\$ 28,068</b>	<b>\$ 25,638</b>	<b>\$ 21,181</b>	<b>\$ 21,624</b>

March 31, 2001

Balance sheet data:

Real estate, net	\$ 4,106,137	\$ 2,427,777	\$ 610,682	\$ 866,201	\$ --	\$ 201,477
Investments and advances to partially-owned entities	1,307,145	389,847	28,473	6,688	477,806	404,331
Capital expenditures						
Acquisitions	--	--	--	--	--	--
Other	27,161	18,223	340	4,040	--	4,558

For The Three Months Ended March 31,

(amounts in thousands)

	2000 (Pro Forma)					
	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other(2)
Property rentals .....	\$ 163,955	97,028	\$ 31,965	\$ 30,714	\$ --	\$ 4,248
Expense reimbursements .....	26,807	11,932	11,539	2,991	--	345
Hotel .....	11,431	--	--	--	--	11,431
Trade shows .....	7,158	--	--	7,158	--	--
Other income .....	4,084	1,025	1,279	1,598	--	182
<b>Total revenues .....</b>	<b>213,435</b>	<b>109,985</b>	<b>44,783</b>	<b>42,461</b>	<b>--</b>	<b>16,206</b>
Operating expenses .....	82,793	46,141	15,557	14,325	--	6,770
Depreciation and amortization ...	24,848	13,352	3,989	5,437	--	2,070
General and administrative .....	16,593	2,764	199	3,486	--	10,144
Costs of acquisitions not consummated .....	--	--	--	--	--	--
<b>Total expenses .....</b>	<b>124,234</b>	<b>62,257</b>	<b>19,745</b>	<b>23,248</b>	<b>--</b>	<b>18,984</b>
Operating income .....	89,201	47,728	25,038	19,213	--	(2,778)
Income applicable to Alexander's ..	4,107	--	--	--	--	4,107
Income from partially- owned entities .....	19,853	7,725	277	--	9,398	2,453
Interest and other investment income .....	5,788	384	3	111	--	5,290
Write-off of investment in technology company .....	--	--	--	--	--	--
Interest and debt expense .....	(40,356)	(14,323)	(10,805)	(8,347)	--	(6,881)
Net gain on sale of real estate ..	2,560	--	2,560	--	--	--
Minority interest .....	(490)	(490)	--	--	--	--
Income before cumulative effect of change in accounting principle and extraordinary item .....	80,663	41,024	17,073	10,977	9,398	2,191
Cumulative effect of change in accounting principle .....	--	--	--	--	--	--
Extraordinary item .....	(1,125)	--	(1,125)	--	--	--
Net income .....	79,538	41,024	15,948	10,977	9,398	2,191
Extraordinary item .....	1,125	--	1,125	--	--	--
Cumulative effect of change in accounting principle .....	--	--	--	--	--	--
Minority interest .....	490	490	--	--	--	--
Net gain on sale of real estate ..	(2,560)	--	(2,560)	--	--	--
Interest and debt expense(3) .....	61,660	23,188	11,460	8,347	6,730	11,935
Depreciation and amortization(3) .	39,377	17,956	4,302	5,027	8,329	3,763
Straight-lining of rents(3) .....	(7,432)	(5,301)	(677)	(1,279)	(527)	352
Other .....	1,274	--	--	--	515	759
<b>EBITDA(1) .....</b>	<b>\$ 173,472</b>	<b>\$ 77,357</b>	<b>\$ 29,598</b>	<b>\$ 23,072</b>	<b>\$ 24,445</b>	<b>\$ 19,000</b>

December 31, 2000

Balance sheet data:

Real estate, net .....	\$ 3,901,055	\$ 2,388,393	\$ 551,183	\$ 862,003	\$ --	\$ 99,476
Investments and advances to partially-owned entities .	1,459,211	394,089	31,660	41,670	469,613	522,179
Capital expenditures						
Acquisitions .....	246,500	128,000	--	89,000	--	29,500
Other .....	200,181	106,689	7,251	37,362	28,582	20,297

See footnotes 1-6 on the next page.

Notes to segment information:

- (1) EBITDA represents income before interest, taxes, depreciation and amortization, extraordinary or non-recurring items, gains or losses on sales of real estate, the effect of straight-lining of property rentals for rent

escalations and minority interest. Management considers EBITDA a supplemental measure for making decisions and assessing the performance of its segments. EBITDA may not be comparable to similarly titled measures employed by other companies.

(2) Other EBITDA is comprised of:

(amounts in thousands)	2001 -----	2000 -----
Hotel Pennsylvania.....	\$ 5,280(4)	\$ 3,427
Investment in Newkirk Joint Ventures.....	15,099(6)	9,754
Investments in other partially-owned entities (Alexander's and other).....	5,805	4,430
Investment income.....	10,512	5,290
Write-off of investment in technology company.....	(4,723)	--
Unallocated general and administrative expenses.....	(7,533)	(5,812)
Costs of acquisitions not consummated.....	(5,000)	--
Other.....	2,184	1,911
	-----	-----
Total.....	\$21,624 =====	\$ 19,000 =====

(3) Interest and debt expense, depreciation and amortization and straight-lining of rents included in the reconciliation of net income to EBITDA reflects amounts which are netted in income from partially-owned entities.

(4) Includes a \$1,900 settlement from a tenant for rent previously reserved.

(5) Includes the reversal of \$6,298 representing the Company's share of Alexander's gain on sale of its Fordham Road property on January 12, 2001.

(6) Includes \$3,300 from acquisitions of additional equity investments in certain limited partnerships.

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#### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(All of the amounts presented are in thousands, except share amounts and percentages)

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. Certain factors could cause actual results to differ materially from those in the forward-looking statements. Factors that might cause such a material difference include, but are not limited to, (a) changes in the general economic climate, (b) local conditions such as an oversupply of space or a reduction in demand for real estate in the area, (c) conditions of tenants, (d) competition from other available space, (e) increased operating costs and interest expense, (f) the timing of and costs associated with property improvements, (g) changes in taxation or zoning laws, (h) government regulations, (i) failure of Vornado to continue to qualify as a REIT, (j) availability of financing on acceptable terms, (k) potential liability under environmental or other laws or regulations, and (l) general competitive factors.

#### OVERVIEW

Below is a summary of net income and EBITDA(1) by segment for the three months ended March 31, 2001 and 2000. Prior to this year, income from the Company's preferred stock affiliates was included in income from partially-owned entities. On January 1, 2001, the Company acquired the common stock of its preferred stock affiliates and converted these entities to taxable REIT subsidiaries. Accordingly, the Hotel portion of the Hotel Pennsylvania, the Company's investment in the Park Laurel (including the minority interest for the 20% the Company does not own) and the management companies (which provide services to the Company's business segments and operate the Trade Show business of the Merchandise Mart division) have been consolidated. Net income and EBITDA for the three months ended March 31, 2000 have been restated on a pro forma basis to reflect these entities as if consolidated as of January 1, 2000.

March 31, 2001

-----  
 Merchandise Temperature  
 Controlled

	Total	Office	Retail	Mart	Logistics	Other(2)
Property rentals	\$ 182,816	\$ 113,860	\$ 28,137	\$ 36,616	\$ --	\$ 4,203
Expense reimbursements	35,092	19,041	11,295	3,973	--	783
Hotel	11,513	--	--	--	--	11,513
Trade shows	10,389	--	--	10,389	--	--
Other income	2,800	572	1,429	719	--	80
<b>Total revenues</b>	<b>242,610</b>	<b>133,473</b>	<b>40,861</b>	<b>51,697</b>	<b>--</b>	<b>16,579</b>
Operating expenses	100,383	55,761	15,412	21,132	--	8,078
Depreciation and amortization	31,865	18,644	4,463	6,442	--	2,316
General and administrative	14,248	3,370	23	4,595	--	6,260(4)
Costs of acquisitions not consummated	5,000	--	--	--	--	5,000
<b>Total expenses</b>	<b>151,496</b>	<b>77,775</b>	<b>19,898</b>	<b>32,169</b>	<b>--</b>	<b>21,654</b>
Operating income	91,114	55,698	20,963	19,528	--	(5,075)
Income applicable to Alexander's	12,304	--	--	--	--	12,304
Income from partially-owned entities	23,990	8,695	1,897	113	5,948	7,337
Interest and other investment income	13,473	2,298	--	663	--	10,512
Write-off of investment in technology company	(4,723)	--	--	--	--	(4,723)
Interest and debt expense	(49,395)	(16,607)	(14,149)	(9,669)	--	(8,970)
Minority interest	(359)	(359)	--	--	--	--
Income before cumulative effect of change in accounting principle and extraordinary item	86,404	49,725	8,711	10,635	5,948	11,385
Cumulative effect of change in accounting principle	(4,110)	--	--	--	--	(4,110)
Extraordinary item	1,170	--	--	--	--	1,170
<b>Net income</b>	<b>83,464</b>	<b>49,725</b>	<b>8,711</b>	<b>10,635</b>	<b>5,948</b>	<b>8,445</b>
Extraordinary item	(1,170)	--	--	--	--	(1,170)
Cumulative effect of change in accounting principle	4,110	--	--	--	--	4,110
Minority interest	359	359	--	--	--	--
Interest and debt expense(3)	73,254	27,447	14,791	9,669	6,713	14,634
Depreciation and amortization(3)	47,918	23,644	4,727	6,442	8,408	4,697
Straight-lining of rents(3)	(7,737)	(5,955)	(161)	(1,108)	--	(513)
Other	(10,557)	(2,090)	--	--	112	(8,579)(5)
<b>EBITDA(1)</b>	<b>\$ 189,641</b>	<b>\$ 93,130</b>	<b>\$ 28,068</b>	<b>\$ 25,638</b>	<b>\$ 21,181</b>	<b>\$ 21,624</b>

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March 31, 2000 (Pro Forma)

	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other(2)
Property rentals	\$ 163,955	\$ 97,028	\$ 31,965	\$ 30,714	\$ --	\$ 4,248
Expense reimbursements	26,807	11,932	11,539	2,991	--	345
Hotel	11,431	--	--	--	--	11,431
Trade shows	7,158	--	--	7,158	--	--
Other income	4,084	1,025	1,279	1,598	--	182
<b>Total revenues</b>	<b>213,435</b>	<b>109,985</b>	<b>44,783</b>	<b>42,461</b>	<b>--</b>	<b>16,206</b>
Operating expenses	82,793	46,141	15,557	14,325	--	6,770
Depreciation and amortization	24,848	13,352	3,989	5,437	--	2,070
General and administrative	16,593	2,764	199	3,486	--	10,144
<b>Total expenses</b>	<b>124,234</b>	<b>62,257</b>	<b>19,745</b>	<b>23,248</b>	<b>--</b>	<b>18,984</b>
Operating income	89,201	47,728	25,038	19,213	--	(2,778)
Income applicable to Alexander's	4,107	--	--	--	--	4,107
Income from partially-owned entities	19,853	7,725	277	--	9,398	2,453
Interest and other investment income	5,788	384	3	111	--	5,290
Interest and debt expense	(40,356)	(14,323)	(10,805)	(8,347)	--	(6,881)
Net gain on sale of real estate	2,560	--	2,560	--	--	--
Minority interest	(490)	(490)	--	--	--	--
Income before extraordinary item	80,663	41,024	17,073	10,977	9,398	2,191
Extraordinary item	(1,125)	--	(1,125)	--	--	--
<b>Net income</b>	<b>79,538</b>	<b>41,024</b>	<b>15,948</b>	<b>10,977</b>	<b>9,398</b>	<b>2,191</b>

Extraordinary item .....	1,125	--	1,125	--	--	--
Minority interest .....	490	490	--	--	--	--
Net gain on sale of real estate ....	(2,560)	--	(2,560)	--	--	--
Interest and debt expense(3) .....	61,660	23,188	11,460	8,347	6,730	11,935
Depreciation and amortization(3) ...	39,377	17,956	4,302	5,027	8,329	3,763
Straight-lining of rents(3) .....	(7,432)	(5,301)	(677)	(1,279)	(527)	352
Other .....	1,274	--	--	--	515	759
EBITDA(1) .....	\$ 173,472	\$ 77,357	\$ 29,598	\$ 23,072	\$ 24,445	\$ 19,000
	=====	=====	=====	=====	=====	=====

(1) EBITDA represents income before interest, taxes, depreciation and amortization, extraordinary or non-recurring items, gains or losses on sales of real estate, the effect of straight-lining of property rentals for rent escalations and minority interest. Management considers EBITDA a supplemental measure for making decisions and assessing the performance of its segments. EBITDA may not be comparable to similarly titled measures employed by other companies.

(2) Other EBITDA is comprised of:

	2001	2000
	-----	-----
Hotel Pennsylvania.....	\$ 5,280(4)	\$ 3,427
Investment in Newkirk Joint Ventures.....	15,099(6)	9,754
Investments in other partially-owned entities (Alexander's and other).....	5,805	4,430
Investment income.....	10,512	5,290
Write-off of investment in technology company.....	(4,723)	--
Unallocated general and administrative expenses.....	(7,533)	(5,812)
Costs of acquisitions not consummated.....	(5,000)	--
Other.....	2,184	1,911
	-----	-----
Total.....	\$ 21,624	\$ 19,000
	=====	=====

(3) Interest and debt expense, depreciation and amortization and straight-lining of rents included in the reconciliation of net income to EBITDA reflects amounts which are netted in income from partially-owned entities.

(4) Includes a \$1,900 settlement from a tenant for rent previously reserved.

(5) Includes the reversal of \$6,298 representing the Company's share of Alexander's gain on sale of its Fordham Road property on January 12, 2001.

(6) Includes \$3,300 from acquisitions of additional equity investments in certain limited partnerships.

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## RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2001 AND MARCH 31, 2000

Below are the details of the changes by segment in EBITDA.

	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other
	-----	-----	-----	-----	-----	-----
Three months ended March 31, 2000 ..	\$173,472	\$ 77,357	\$ 29,598	\$ 23,072	\$ 24,445	\$ 19,000
2001 Operations:						
Same store operations(1) .....	9,811	9,590	620	1,666	(3,264) (3)	1,199
Acquisitions, dispositions and non-recurring income and expenses .....	6,358	6,183	(2,150)	900	--	1,425
	-----	-----	-----	-----	-----	-----
Three months ended March 31, 2001 ..	\$189,641	\$ 93,130	\$ 28,068	\$ 25,638	\$ 21,181	\$ 21,624
	=====	=====	=====	=====	=====	=====
% increase in same store operations .....	5.7%	12.4%(2)	2.1%	7.2%	(13.4%)	6.3%

- (1) Represents operations which were owned for the same period in each year and excludes non-recurring income and expenses.
- (2) Same store percentage increase was 14.9% for the New York City office portfolio and 4.3% for the CESCO portfolio.
- (3) The Company reflects its 60% share of the Vornado/Crescent Partnerships' ("the Landlord") equity in the rental income it receives from AmeriCold Logistics, its tenant, which leases the underlying temperature controlled warehouses used in its business. On February 22, 2001, the Landlord restructured the AmeriCold Logistics leases to among other things, (i) reduce 2001's contractual rent to \$146,000 (the same amount recognized as rental income in 2000's Funds from Operations), (ii) reduce 2002's contractual rent to \$150,000 (plus additional contingent rent in certain circumstances), (iii) increase the Landlord's share of annual maintenance capital expenditures by \$4,500 to \$9,500 effective January 1, 2000 and (iv) extend the deferred rent period to December 31, 2003 from March 11, 2002.

The tenant has advised the Landlord that its revenue for February and March of this year from the warehouses it leases from the Landlord, is lower than last year by 8.2% primarily due to a reduction in units stored at the warehouses.

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#### REVENUES

The Company's revenues, which consist of property rentals, tenant expense reimbursements, hotel revenues, trade show revenues and other income were \$242,610 in the three months ended March 31, 2001, compared to \$213,435 in the prior year's quarter, an increase of \$29,175. This increase by segment resulted from:

Property Rentals:	Date of Acquisition -----	Total -----	Office -----	Retail -----	Merchandise Mart -----	Other -----
Acquisitions:						
7 West 34th Street .....	November 2000	\$ 3,648	\$ 3,648	\$ --	\$ --	\$ --
33 North Dearborn Street	September 2000	1,415	--	--	1,415	--
L.A. Mart .....	October 2000	3,039	--	--	3,039	--
Student Housing Complex .	January 2000	1,150	--	--	--	1,150
Dispositions and other .....		(3,056)	--	(3,056) (1)	--	--
Leasing activity .....		12,665	13,184	(772)	1,448	(1,195)
		-----	-----	-----	-----	-----
Total increase in property Rentals .....		18,861	16,832	(3,828)	5,902	(45)
		-----	-----	-----	-----	-----
Tenant expense reimbursements:						
Increase in tenant expense reimbursements due to acquisitions .....		1,809	843	--	966	--
Other .....		6,476	6,266	(244)	16	438
		-----	-----	-----	-----	-----
Total increase in tenant expense reimbursements ..		8,285	7,109	(244)	982	438
		-----	-----	-----	-----	-----
Hotel activity .....		82	--	--	--	82
Trade shows activity .....		3,231	--	--	3,231 (2)	--
Other income .....		(1,284)	(453)	150	(879)	(102)
		-----	-----	-----	-----	-----
Total increase in revenues ...		\$ 29,175	\$ 23,488	\$ (3,922)	\$ 9,236	\$ 373
		=====	=====	=====	=====	=====

- (1) Results primarily from Bradlees rejection of its lease at the 14th Street and Union Square property on February 9, 2001, and the sale of the Company's Texas properties on March 2, 2000.
- (2) Results primarily from an additional trade show event in the first quarter of 2001.

See supplemental information on page 23 for further details.

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#### EXPENSES

The Company's expenses were \$151,496 in the three months ended March 31,



2001, compared to \$124,234 in the prior year's quarter, an increase of \$27,262. This increase by segment resulted from:

	Total	Office	Retail	Merchandise Mart	Other
	-----	-----	-----	-----	-----
Operating:					
Acquisitions .....	\$ 4,975	\$ 1,494	\$ --	\$ 2,906	\$ 575
Same store operations ..	12,615	8,126	(145)	3,901	733
	-----	-----	-----	-----	-----
	17,590	9,620	(145)	6,807	1,308
	-----	-----	-----	-----	-----
Depreciation and amortization:					
Acquisitions .....	1,262	586	--	481	195
Same store operations ..	5,755	4,706	474	524	51
	-----	-----	-----	-----	-----
	7,017	5,292	474	1,005	246
	-----	-----	-----	-----	-----
General and administrative:					
Depreciation in value of Vornado shares and other securities held in officer's deferred compensation trust .....	(2,623)	--	--	--	(2,623)
Other expenses .....	278	606	(176)	1,109	(1,261) (1)
	-----	-----	-----	-----	-----
	(2,345)	606	(176)	1,109	(3,884)
	-----	-----	-----	-----	-----
Costs of acquisitions not consummated .....	5,000	--	--	--	5,000 (2)
	-----	-----	-----	-----	-----
	\$ 27,262	\$ 15,518	\$ 153	\$ 8,921	\$ 2,670
	=====	=====	=====	=====	=====

(1) Includes a \$1,900 settlement from a tenant for rent previously reserved.

(2) Primarily associated with the World Trade Center.

Income applicable to Alexander's (loan interest income, equity in income and depreciation) was \$12,304 in the three months ended March 31, 2001, compared to \$4,107 in the prior year's quarter, an increase of \$8,197. This increase resulted primarily from the Company's share of Alexander's gain on sale of its Fordham Road Property on January 12, 2001.

Income from partially-owned entities was \$23,990 in the three months ended March 31, 2001, compared to \$19,853 in the prior year's quarter, an increase of \$4,137. This increase by segment resulted from:

	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other
	-----	-----	-----	-----	-----	-----
Increase (decrease) in equity in income:						
Temperature Controlled						
Logistics .....	\$(3,450)	\$ --	\$ --	\$ --	\$(3,450)	\$ --
Charles E. Smith Commercial Realty L.P. ....	638	638	--	--	--	--
Newkirk Joint Ventures .....	3,633	--	--	--	--	3,633
Partially-owned						
office buildings .....	564	564	--	--	--	--
Other .....	2,752	(232)	1,620	113	--	1,251
	-----	-----	-----	-----	-----	-----
	\$ 4,137	\$ 970	\$ 1,620	\$ 113	\$(3,450)	\$ 4,884
	=====	=====	=====	=====	=====	=====

Interest and other investment income (interest income on mortgage loans receivable, other interest income, dividend income and net gains on sale of marketable securities) was \$13,473 for the three months ended March 31, 2001, compared to \$5,788 in the prior year's quarter, an increase of \$7,685. This increase resulted primarily from the acquisition of NorthStar subordinated unsecured debt (22% effective rate) on September 19, 2000 and a loan to Primestone Investment Partners, L.P. (20% effective rate) on September 28, 2000.

The Company recorded a charge of \$4,723 resulting from the write-off of an equity investment in a technology company in the three months ended March 31, 2001.

Interest and debt expense was \$49,395 for the three months ended March 31, 2001, compared to \$40,356 in the prior year's quarter, an increase of \$9,039. This increase resulted from interest on higher average outstanding loan balances, partially offset by a \$500 savings from a 20 basis point reduction in weighted average interest rates of variable rate debt. If the current level of variable rates were to continue, interest expense inclusive of the Company's share of partially-owned entities, would be approximately \$4,500 lower in the quarter ended June 30, 2001, as compared to the quarter ended March 31, 2001.

Preferential allocations to unitholders were \$23,309 for the three months ended March 31, 2001, compared to \$19,342 for the prior year's quarter, an increase of \$3,967. This increase is primarily due to the issuance of perpetual preferred units in connection with acquisitions.

The Company recorded the cumulative effect of a change in accounting principle of \$4,110 in the first quarter of 2001. The Company previously had marked-to-market changes in value of stock purchase warrants through accumulated other comprehensive loss. Under SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, those changes are recognized through earnings, and accordingly, the Company has reclassified \$4,110 from accumulated other comprehensive loss to the consolidated statement of income as of January 1, 2001. Future changes in value of such securities will be recorded through earnings.

The extraordinary item of \$1,170 in the three months ended March 31, 2001 represents the Company's share of Alexander's extraordinary gain from early extinguishment of debt. The Company incurred an extraordinary loss of \$1,125 in the first quarter of 2000 due to the write-off of unamortized financing costs in connection with the prepayment of debt.

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#### LIQUIDITY AND CAPITAL RESOURCES

##### THREE MONTHS ENDED MARCH 31, 2001

Cash flows provided by operating activities of \$84,377 was primarily comprised of (i) income of \$83,464 and (ii) adjustments for non-cash items of \$4,302 partially offset by (iii) the net change in operating assets and liabilities of \$5,331. The adjustments for non-cash items are primarily comprised of (i) cumulative effect of change in accounting principle of \$4,110, (ii) the write-off of an investment in marketable securities of \$4,723, (iii) depreciation and amortization of \$31,865 and (iv) minority interest of \$359, partially offset by (v) the effect of straight-lining of rental income of \$7,895 and (vi) equity in net income of partially-owned entities and income applicable to Alexander's of \$36,294.

Net cash used in investing activities of \$46,709 was primarily comprised of (i) recurring capital expenditures of \$14,352, (ii) non-recurring capital expenditures of \$12,809 (iii) development and redevelopment expenditures of \$40,577, (iv) investment in notes and mortgages receivable of \$10,069, (v) investments in partially-owned entities of \$13,378, partially offset by, (vi) distributions from partially-owned entities of \$17,163 and (vii) a decrease in restricted cash arising primarily from the repayment of mortgage escrows of \$29,095.

Net cash used in financing activities of \$62,674 was primarily comprised of (i) proceeds from borrowings of \$74,160, partially offset by, (ii) repayments of borrowings of \$56,513, (iii) dividends paid on Class A units of \$45,191, (iv) distributions to preferred unitholders of \$8,972, and (v) preferential distributions of \$27,290.

Below are the details of capital expenditures, leasing commissions, and development and redevelopment expenditures.

Capital expenditures are categorized as follows:

Recurring -- capital improvements expended to maintain a property's competitive position within the market and tenant improvements and leasing commissions for costs to release expiring leases or renew or extend existing leases.

Non-recurring -- capital improvements completed in the year of acquisition and the following two years (which were planned at the time of acquisition) and tenant improvements and leasing commissions for space which was vacant at the time of acquisition of a property.

Development and Redevelopment expenditures include all hard and soft costs associated with the development or redevelopment of a property, including tenant improvements, leasing commissions and capitalized interest and operating costs until the property is substantially complete and ready for its intended use.

	Total	New York City Office	Retail	Merchandise Mart	Other
Capital Expenditures:					
Expenditures to maintain the assets:					
Recurring .....	\$ 4,434	\$ 2,922	\$ 96	\$ 449	\$ 967
Non-recurring .....	12,775	6,694	--	2,490	3,591
	17,209	9,616	96	2,939	4,558
Tenant improvements:					
Recurring .....	9,918	8,573	244	1,101	--
Non-recurring .....	34	34	--	--	--
	9,952	8,607	244	1,101	--
Total .....	\$27,161	\$18,223	\$ 340	\$ 4,040	\$ 4,558
Leasing Commissions:					
Recurring .....	\$ 5,643	\$ 2,769	\$ 325	\$ 2,414	\$ 135
Non-recurring .....	5,527	1,906	--	3,621	--
	\$11,170	\$ 4,675	\$ 325	\$ 6,035	\$ 135
Development and Redevelopment:					
Expenditures: (1)					
Park Laurel (80% interest) .	\$18,286	\$ --	\$--	\$ --	\$18,286
Market Square on Main Street	9,127	--	--	9,127	--
Other .....	13,164	6,165	863	--	6,136
	\$40,577	\$ 6,165	\$ 863	\$ 9,127	\$24,422

(1) Does not include \$37,592 of Fort Lee development costs during the three months ended March 31, 2001, which were funded by a construction loan.

THREE MONTHS ENDED MARCH 31, 2000

Cash flows provided by operating activities of \$45,249 was primarily comprised of (i) income of \$79,538 and (ii) adjustments for non-cash items of \$9,899, offset by (iii) the net change in operating assets and liabilities of \$21,830. The adjustments for non-cash items are primarily comprised of (i) depreciation and amortization of \$23,253 and (ii) minority interest of \$490, partially offset by (iii) the effect of straight-lining of rental income of \$8,110 and (iv) equity in net income of partially-owned entities of \$26,657. The net change in operating assets and liabilities primarily reflects an increase in prepaid expenses of \$11,673.

Net cash used in investing activities of \$28,832 was primarily comprised of (i) capital expenditures of \$10,380 (ii) redevelopment expenditures of \$10,228, (iii) investment in notes and mortgages receivable of \$6,000 (loan to Vornado Operating Company), (iv) acquisitions of real estate of \$6,660 (see detail below), (v) investments in partially-owned entities of \$26,564 (see detail below), (vi) investments in securities of \$7,427, partially offset by (vii) proceeds from the sale of real estate \$23,992 and distributions from partially-owned entities of \$15,490.

Net cash used in financing activities of \$24,341 was primarily comprised of (i) repayment of borrowings of \$522,506, (ii) dividends paid on Class A units of \$44,465, (iii) debt issuance costs of \$17,996, (iv) distributions to minority partners of \$5,470, partially offset by (v) proceeds from borrowings of \$565,000.

Acquisitions of real estate and investments in partially-owned entities are comprised of:

	Cash	Debt Assumed	Value of Units Issued	Investment
Real Estate:				
Student Housing Complex (90% interest) .....	\$ 6,660	\$ 17,640	\$ --	\$24,300

	=====	=====	=====	=====
Investments in Partially Owned Entities:				
Vornado-Ceruzzi Joint Venture (80% interest)	\$15,696	\$ --	\$ --	\$15,696
Funding of development expenditures .....	9,878	--	--	9,878
Other .....	990	--	--	990
	-----	-----	-----	-----
	\$26,564	--	--	\$26,564
	=====	=====	=====	=====

Capital expenditures were comprised of:

	Total	New York City Office	Retail	Merchandise Mart	Other
	-----	-----	-----	-----	-----
Expenditures to maintain the assets	\$ 5,881	\$ 3,165	\$ 35	\$ 559	\$ 2,122
Tenant allowances .....	4,499	3,699	512	288	--
Redevelopment expenditures .....	10,228	6,038	--	4,190	--
	-----	-----	-----	-----	-----
Total capital expenditures .....	\$20,608	\$12,902	\$ 547	\$ 5,037	\$ 2,122
	=====	=====	=====	=====	=====

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#### SUPPLEMENTAL INFORMATION

Below are the details of the changes by segment in EBITDA for the three months ended March 31, 2001 and December 31, 2000.

	Total	Office	Retail	Merchandise Mart	Temperature Controlled Logistics	Other
	-----	-----	-----	-----	-----	-----
Three months ended						
December 31, 2000 .....	\$ 197,425	\$ 86,125	\$ 29,627	\$ 23,072	\$ 23,735	\$ 34,866
2001 Operations:						
Same store operations(1) .....	2,907	4,755	(35)	2,566(4)	(2,554)(3)	(1,825)(4)
Acquisitions, dispositions and other non-recurring income and expenses .....	(10,691)	2,250	(1,524)	--	--	(11,417)(5)
	-----	-----	-----	-----	-----	-----
Three months ended						
March 31, 2001 .....	\$ 189,641	\$ 93,130	\$ 28,068	\$ 25,638	\$ 21,181	\$ 21,624
	=====	=====	=====	=====	=====	=====
% increase in same store operations .....	1.5%	5.5%(2)	--	11.1%	(10.8%)	(5.2%)

(1) Represents operations which were owned for the same period in each year and excludes non-recurring income and expenses.

(2) Same store percentage increase was 5.9% for the New York City office portfolio and 4.5% for the CESC portfolio.

(3) The Company reflects its 60% share of the Vornado/Crescent Partnerships' ("the Landlord") equity in the rental income it receives from AmeriCold Logistics, its tenant, which leases the underlying temperature controlled warehouses used in its business. On February 22, 2001, the Landlord restructured the AmeriCold Logistics leases to among other things, (i) reduce 2001's contractual rent to \$146,000 (the same amount recognized as rental income in 2000's Funds from Operations), (ii) reduce 2002's contractual rent to \$150,000 (plus additional contingent rent in certain circumstances), (iii) increase the Landlord's share of annual maintenance capital expenditures by \$4,500 to \$9,500 effective January 1, 2000 and (iv) extend the deferred rent period to December 31, 2003 from March 11, 2002.

The tenant has advised the Landlord that its revenue for February and March of this year from the warehouses it leases from the Landlord, is lower than last year by 8.2% primarily due to a reduction in units stored at the warehouses.

(4) Reflects seasonality of the Merchandise Mart trade show business and the Hotel Pennsylvania which is included in Other.

(5) Includes the write-off of investment in marketable securities and costs of acquisitions not consummated.

The following table sets forth certain information for the properties the Company owns directly or indirectly, including leasing activity for space previously occupied:

	Office			Merchandise Mart		Temperature Controlled Logistics
	New York City	CESCR	Retail	Office(1)	Showroom(1)	
As of March 31, 2001:						
Square feet .....	14,410	4,248	11,441	2,869	5,044	17,495
Cubic feet .....	--	--	--	--	--	438,900
Number of properties .....	22	50	55	9	9	88
Occupancy rate .....	97%	98%	92%	91%	98%	72%
Leasing Activity:						
For the quarter ended						
March 31, 2001:						
Square feet .....	401	322	129	10	134	--
Rent per square foot:						
Initial rent (2) ...	\$ 49.61	\$ 31.19	\$ 20.38	\$ 28.35	\$ 22.44	--
Prior escalated rent	\$ 31.12	\$ 24.39	\$ 18.85	\$ 24.78	\$ 15.24	--
Percentage increase	59%	28%	8%	14%	47%	--
As of December 31, 2000:						
Square feet .....	14,396	4,248	11,293	2,869	5,044	17,495
Cubic feet .....	--	--	--	--	--	438,900
Number of properties .....	22	50	55	9	9	88
Occupancy rate .....	96%	98%	92%	90%	98%	82%
As of March 31, 2000:						
Square feet .....	14,267	3,782	11,960	2,640	4,317	17,770
Cubic feet .....	--	--	--	--	--	445,000
Number of properties .....	22	40	56	7	7	90
Occupancy rate .....	95%	95%	93%	88%	99%	83%

- 
- (1) The office and showroom space is contained in the same mixed-use properties.  
(2) Most leases include periodic step-ups in rent, which are not reflected in the initial rent per square foot leased.

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Below are the cash flows provided by (used in) operating, investing and financing activities:

	For the Three Months Ended March 31,	
	2001	2000
Operating activities.....	\$ 84,377	\$ 45,249
Investing activities.....	\$ (46,709)	\$ (28,832)
Financing activities.....	\$ (62,674)	\$ (24,341)

#### FINANCINGS

The Company anticipates that cash from continuing operations will be adequate to fund business operations and the payment of dividends and distributions on an on-going basis for more than the next twelve months; however, capital outlays for significant acquisitions would require funding from borrowings or equity offerings.

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#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Company's exposure to a change in interest rates on its wholly-owned and partially-owned debt (all of which arises out of non-trading activity) is as follows:

(\$ in thousands, except per unit amounts)

	March 31, 2001			December 31, 2000	
	Balance	Weighted Average Interest Rate	Effect of 1% Change In Base Rates	Balance	Weighted Average Interest Rate
Wholly-owned debt:					
Variable rate.....	\$1,590,467	6.55%	\$ 14,670(1)	1,593,751	\$8.00%
Fixed rate.....	1,154,084	7.52%	--	1,063,146	7.61%
	\$2,744,551		14,670	\$2,656,897	
Partially-owned debt:					
Variable rate.....	\$ 132,628	7.14%	1,326	\$ 204,462	8.40%
Fixed rate.....	1,125,840	7.54%	--	1,123,926	7.54%
	\$1,258,468		1,326	\$1,328,388	
Preferential allocations..			(2,319)		
Total decrease in the Company's annual net income			\$ 13,677		
Per Class A unit-diluted			\$ .15		

(1) Excludes the effect of a \$123,500 mortgage financing, cross-collateralized by the Company's 770 Broadway and 595 Madison Avenue office properties, as the proceeds are in a restricted mortgage escrow account which bears interest at the same rate as the loan.

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PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is from time to time involved in legal actions arising in the ordinary course of its business. In the opinion of management, after consultation with legal counsel, the outcome of such matters will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits required by Item 601 of Regulation S-K are incorporated herein by reference and are listed in the attached Exhibit Index.
- (b) Reports on Form 8-K

During the quarter ended March 31, 2001, Vornado Realty Trust filed the following reports on Form 8-K:

Period Covered (Date of earliest event reported)	Items Reported	Date Filed
February 22, 2001	Press release announcing restructuring of leases with AmeriCold Logistics	February 22, 2001
February 22, 2001	Press release announcing exclusive negotiating period relating to net lease of World Trade Center Complex	February 23, 2001
March 19, 2001	Press release announcing failure to conclude net lease of World Trade Center Complex	March 22, 2001

SIGNATURES

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 thereunto duly authorized.

VORNADO REALTY L.P.

-----  
(Registrant)

Date: May 10, 2001

By: /s/ Joseph Macnow

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Joseph Macnow, Executive Vice President -  
Finance and Administration and  
Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO. -----		
3.1	-- Amended and Restated Declaration of Trust of Vornado, amended April 3, 1997--Incorporated by reference to Exhibit 3.1 of Vornado's Registration Statement on Form S-8 (File No. 333-29011), filed on June 12, 1997.....	**
3.2	-- Articles of Amendment of Declaration of Trust of Vornado, as filed with the State Department of Assessments and Taxation of Maryland on October 14, 1997 - Incorporated by reference to Exhibit 3.2 of Vornado's Registration Statement on Form S-3 (File No. 333-36080), filed on May 2, 2000.....	*
3.3	-- Articles of Amendment of Declaration of Trust of Vornado, as filed with the State Department of Assessments and Taxation of Maryland on April 22, 1998 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated April 22, 1998 (File No. 001-11954), filed on April 28, 1998.....	*
3.4	-- Articles of Amendment of Declaration of Trust of Vornado, as filed with the State Department of Assessments and Taxation of Maryland on November 24, 1999 - Incorporated by reference to Exhibit 3.4 of Vornado's Registration Statement on Form S-3 (File No. 333-36080), filed on May 2, 2000.....	*
3.5	-- Articles of Amendment of Declaration of Trust of Vornado, as filed with the State Department of Assessments and Taxation of Maryland on April 20, 2000 - Incorporated by reference to Exhibit 3.5 of Vornado's Registration Statement on Form S-3 (File No. 333-36080), filed on May 2, 2000.....	*
3.6	-- Articles Supplementary Classifying Vornado's \$3.25 Series A Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share - Incorporated by reference to Exhibit 4.1 of Vornado's Current Report on Form 8-K, dated April 3, 1997 (File No. 001-11954), filed on April 8, 1997.....	*
3.7	-- Articles Supplementary Classifying Vornado's Series D-1 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest, no par value (the "Series D-1 Preferred Shares") - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated November 12, 1998 (File No. 001-11954), filed on November 30, 1998.....	*
3.8	-- Articles Supplementary Classifying Additional Series D-1 Preferred Shares - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K/A, dated November 12, 1998 (File No. 001-11954), filed on February 9, 1999.....	*
3.9	-- Articles Supplementary Classifying 8.5% Series B Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preference \$25.00 per share, no par value - Incorporated by	

reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999..... \*

3.10 -- Articles Supplementary Classifying Vornado's Series C Preferred Shares - Incorporated by reference to Exhibit 3.7 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed on May 19, 1999..... \*

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\* Incorporated by reference

EXHIBIT  
NO.  
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3.11 -- Articles Supplementary Classifying Vornado Realty Trust's Series D-2 Preferred Shares, dated as of May 27, 1999, as filed with the State Department of Assessments and Taxation of Maryland on May 27, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... \*

3.12 -- Articles Supplementary Classifying Vornado's Series D-3 Preferred Shares, dated September 3, 1999, as filed with the State Department of Assessments and Taxation of Maryland on September 3, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed on October 25, 1999..... \*

3.13 -- Articles Supplementary Classifying Vornado's Series D-4 Preferred Shares, dated September 3, 1999, as filed with the State Department of Assessments and Taxation of Maryland on September 3, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed on October 25, 1999..... \*

3.14 -- Articles Supplementary Classifying Vornado's Series D-5 Preferred Shares - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated November 24, 1999 (File No. 001-11954), filed on December 23, 1999..... \*

3.15 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-6 Preferred Shares, dated May 1, 2000, as filed with the State Department of Assessments and Taxation of Maryland on May 1, 2000 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated May 1, 2000 (File No. 001-11954), filed May 19, 2000..... \*

3.16 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-7 Preferred Shares, dated May 25, 2000, as filed with the State Department of Assessments and Taxation of Maryland on June 1, 2000 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated May 25, 2000 (File No. 001-11954), filed on June 16, 2000..... \*

3.17 -- Articles Supplementary to Declaration of Trust of Vornado Realty Trust with respect to the Series D-8 Preferred Shares - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated December 8, 2000 (File No. 1-11954), filed on December 28, 2000..... \*

3.18 -- Amended and Restated Bylaws of Vornado, as amended on March 2, 2000 - Incorporated by reference to Exhibit 3.12 of Vornado's Annual Report on Form 10-K for the period ended December 31, 1999 (File No. 1-11954), filed on March 9, 2000..... \*

3.19 -- Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of October 20, 1997 - Incorporated by reference to Exhibit 3.4 of Vornado's Annual Report on Form 10-K for the year ended December 31, 1997 filed on March 31, 1998 (the "1997 10-K").... \*

3.20 -- Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of December 16, 1997--Incorporated by reference to Exhibit 3.5 of the 1997 10-K. \*

3.21 -- Second Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of April 1, 1998 - Incorporated by reference to Exhibit 3.5 of Vornado's Registration Statement on Form S-3 (File No. 333-50095), filed on April 14, 1998..... \*

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\* Incorporated by reference

EXHIBIT  
NO.  
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- 3.22 -- Third Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 12, 1998 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated November 12, 1998 (File No. 001-11954), filed on November 30, 1998..... \*
- 3.23 -- Fourth Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of November 30, 1998 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated December 1, 1998 (File No. 001-11954), filed on February 9, 1999..... \*
- 3.24 -- Exhibit A, dated as of December 22, 1998, to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K/A, dated November 12, 1998 (File No. 001-11954), filed on February 9, 1999..... \*
- 3.25 -- Fifth Amendment to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 3, 1999 - Incorporated by reference to Exhibit 3.1 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999.. \*
- 3.26 -- Exhibit A to Second Amended and Restated Agreement of Limited Partnership of the Operating Partnership, dated as of March 11, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated March 3, 1999 (File No. 001-11954), filed on March 17, 1999..... \*
- 3.27 -- Sixth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of March 17, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... \*
- 3.28 -- Seventh Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... \*
- 3.29 -- Eighth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K, dated May 27, 1999 (File No. 001-11954), filed on July 7, 1999..... \*
- 3.30 -- Ninth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.3 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed on October 25, 1999..... \*
- 3.31 -- Tenth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 20, 1999 - Incorporated by reference to Exhibit 3.4 of Vornado's Current Report on Form 8-K, dated September 3, 1999 (File No. 001-11954), filed on October 25, 1999..... \*
- 3.32 -- Eleventh Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of November 24, 1999 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated November 24, 1999 (File No. 001-11954), filed on December 23, 1999..... \*

-----  
 \* Incorporated by reference

- EXHIBIT  
 NO.  
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- 3.33 -- Twelfth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 1, 2000 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated May 1, 2000 (File No. 001-11954), filed on May 19, 2000..... \*
  - 3.34 -- Thirteenth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of May 25, 2000 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated May 25, 2000 (File No. 001-11954), filed on June 16, 2000.... \*
  - 3.35 -- Fourteenth Amendment to Second Amended and Restated Agreement of Limited Partnership of Vornado Realty L.P., dated as of December 8, 2000 - Incorporated by reference to Exhibit 3.2 of Vornado's Current Report on Form 8-K, dated December 8, 2000 (File No. 001-11954), filed on December 28, 2000..... \*
  - 4.1 -- Instruments defining the rights of security holders (see Exhibits 3.1 through 3.18 of this Annual Report on Form 10-K)
  - 4.2 -- Indenture dated as of November 24, 1993 between Vornado Finance Corp. and Bankers Trust Company, as Trustee - Incorporated by reference to Vornado's current Report on Form 8-K dated

\*

4.3 -- Specimen certificate representing Vornado's Common Shares of Beneficial Interest, par value \$0.04 per share - Incorporated by reference to Exhibit 4.1 of Amendment No. 1 to Registration Statement on Form S-3 (File No. 33-62395), filed on October 26, 1995.....

\*

4.4 -- Specimen certificate representing Vornado's \$3.25 Series A Preferred Shares of Beneficial Interest, liquidation preference \$50.00 per share - Incorporated by reference to Exhibit 4.2 of Vornado's Current Report on Form 8-K, dated April 3, 1997 (File No. 001-11954), filed on April 8, 1997.....

\*

4.5 -- Specimen certificate evidencing Vornado's Series B 8.5% Cumulative Redeemable Preferred Shares of Beneficial Interest - Incorporated by reference to Exhibit 4.2 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed on March 15, 1999.....

\*

4.6 -- Specimen certificate evidencing Vornado's 8.5% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest, liquidation preferences \$25.00 per share, no par value - Incorporated by reference to Exhibit 4.2 of Vornado's Registration Statement on Form 8-A (File No. 001-11954), filed May 19, 1999.....

\*

4.7 -- Indenture and Servicing Agreement, dated as of March 1, 2000, among Vornado, Lasalle Bank National Association, ABN Amro Bank N.V. and Midland Loan Services, Inc. - Incorporated by reference to Exhibit 10.48 of Vornado's Annual Report on Form 10-K for the period ended December 31, 1999 (File No. 1-11954), filed on March 9, 2000.....

\*

11 -- Not applicable

12 -- Not applicable

13 -- Not applicable

14 -- Not applicable

15 -- Not applicable

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\* Incorporated by reference

EXHIBIT  
NO.  
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16..... -- Not applicable

17..... -- Not applicable

18..... -- Not applicable

19..... -- Not applicable

20..... -- Not applicable

21..... -- Not applicable

22..... -- Not applicable

23..... -- Not applicable

24..... -- Not applicable

25..... -- Not applicable

26..... -- Not applicable

27..... -- Not applicable

28..... -- Not applicable

29..... -- Not applicable