

MATHRANI SANDEEP  
Form 4  
August 24, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
MATHRANI SANDEEP

2. Issuer Name and Ticker or Trading Symbol  
VORNADO REALTY TRUST  
[VNO]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)

(Last) (First) (Middle)  
888 SEVENTH AVENUE  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/22/2006

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP - Retail Division

NEW YORK, NY 10019

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares	08/22/2006		M		12,000	A	\$ 42.02
					46,206 <sup>(1)</sup>	D	
Common Shares	08/22/2006		S		2,500	D	\$ 105.5
					43,706 <sup>(1)</sup>	D	
Common Shares	08/22/2006		S		2,500	D	\$ 105.41
					41,206 <sup>(1)</sup>	D	
Common Shares	08/22/2006		S		3,000	D	\$ 105.25
					38,206 <sup>(1)</sup>	D	
Common Shares	08/22/2006		S		4,000	D	\$ 105.14
					34,206 <sup>(1)</sup>	D	

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Common Shares	08/24/2006	M	7,421	A	\$ 42.02	41,627 <sup>(1)</sup>	D
Common Shares	08/24/2006	M	2,597	A	\$ 71.275	44,224 <sup>(1)</sup>	D
Common Shares	08/24/2006	M	371	A	\$ 41.9909	44,595 <sup>(1)</sup>	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Options (Right to Buy)	\$ 42.02	08/22/2006		M	10,000	03/05/2002	03/05/2015	Common Shares	10,000
Options (Right to Buy)	\$ 42.02	08/24/2006		M	7,421	03/05/2002	03/05/2006	Common Shares	7,421
Options (Right to Buy)	\$ 71.275	08/24/2006		M	2,597	02/08/2006	02/08/2015	Common Shares	2,597
Options (Right to Buy)	\$ 41.9909	08/24/2006		M	371	03/05/2005	03/05/2015	Common Shares	371

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MATHRANI SANDEEP 888 SEVENTH AVENUE			EVP - Retail Division	

NEW YORK, NY 10019

## Signatures

/s/ Sandeep  
Mathrani

08/24/2006

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) 28,836 of these common Shares were issued as "restricted stock" under the terms of the Vornado Realty Trust 2002 Omnibus Share Plan. Of these 28,836 Common Shares, (i) 6,000 Common Shares of restricted stock were granted on 1/28/03, with the shares vesting in equal portions over a five-year period with the remaining three portions vesting in January of 2007 and 2008, (ii) 4,000 Common Shares of restricted stock were granted on 2/6/04, with the shares vesting in equal portions over a five-year period with the remaining four portions vesting in January of 2007, 2008 and 2009, (iii) 2,000 Common Shares of restricted stock were granted on 2/8/05, with the shares vesting in equal portions over a five-year period with the remaining four portion vesting January of 2007, 2008, 2009 and 2010 and (iv) 16,836 Common Shares of restricted stock were granted on 2/22/05, with the shares vesting in equal portions over a three-year period with the first portion vesting occurring on 1/20/08.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.