

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 _____ 10% Owner
 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 ⁽¹⁾ | D | |
| Common Shares | 08/22/2006 | | S | 2,500 D \$ 105.5 | 43,706 ⁽¹⁾ | D | |
| Common Shares | 08/22/2006 | | S | 2,500 D \$ 105.41 | 41,206 ⁽¹⁾ | D | |
| Common Shares | 08/22/2006 | | S | 3,000 D \$ 105.25 | 38,206 ⁽¹⁾ | D | |
| Common Shares | 08/22/2006 | | S | 4,000 D \$ 105.14 | 34,206 ⁽¹⁾ | D | |

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