

VORNADO REALTY TRUST  
 Form 4  
 November 15, 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 \*  
**FELMAN MICHELLE**

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)  
**11/13/2006**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**EVP - Acquisitions**

**NEW YORK, NY 10019**  
 (City) (State) (Zip)

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

**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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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

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SEC 1474  
 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secur
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
LTIP Units <sup>(1)</sup>	<u>(2)</u>	11/13/2006 <sup>(3)</sup>	A	10,674 <sup>(4)</sup>					<u>(2)(6)</u>	<u>(2)</u>	Common Shares	10,674
LTIP Units <sup>(1)</sup>	<u>(2)</u>	11/13/2006 <sup>(3)</sup>	A	9,646 <sup>(5)</sup>					<u>(2)(6)</u>	<u>(2)</u>	Common Shares	9,646

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FELMAN MICHELLE 888 SEVENTH AVENUE NEW YORK, NY 10019			EVP - Acquisitions	

**Signatures**

/s/ Michelle Felman  
Date: 11/15/2006  
\*\*Signature of Reporting Person

**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) Represents LTIP Units of Vornado Realty L.P. ("LTIP Units").  
The LTIP Units are a new class of units of the Issuer's operating partnership, Vornado Realty L.P., conditioned upon minimum allocations to the capital accounts of the LTIP Units for federal income tax purposes. The LTIP Units are convertible by the reporting person, upon vesting, into an equivalent number of Class A Units of Vornado Realty L.P., which are redeemable by the holder for Common Shares of the Issuer on a one-for-one basis or the cash value of such shares, at the Issuer's option. The rights to convert LTIP Units into Class A Units and redeem Class A Units do not have expiration dates.
- (3) Pursuant to the terms of the Vornado Realty Trust 2006 Outperformance Plan (the "Plan") the LTIP Units referenced in this Form 4 were "earned" upon the achievement of performance hurdles as of August 28, 2006 and November 2, 2006, subject to a determination by the Compensation Committee of the Issuer's Board of Trustees (the "Compensation Committee") that such hurdles were met. The determination that these performance hurdles were met was made by the Compensation Committee on November 13, 2006.
- (4) Represents the number of LTIP Units "earned" as of August 28, 2006, based upon the first 20% of performance hurdles met by the Issuer and the percentage of the Reporting Person's interest in the performance pool established by the Issuer under the Plan.
- (5) Represents the number of LTIP Units "earned" as of November 3, 2006, based upon the second 20% of performance hurdles met by the Issuer and the percentage of the Reporting Person's interest in the performance pool established by the Issuer under the Plan.
- (6) LTIP Units, when earned, will vest one-third on each of March 14, 2009, 2010 and 2011.

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.