

VORNADO REALTY TRUST  
 Form 4  
 May 31, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**KENNEDY CHRISTOPHER**

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)  
**222 MERCHANDISE MART PLAZA, SUITE 470**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/29/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**President - Merchandise Mart**

**CHICAGO, IL 60654**

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction Number	5. Number	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Price of Derivative
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)	Security (Instr. 5)			
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to Buy)	(1) (2)						(3)	01/20/2008	Common Shares	1,258 (4)
Options (Right to Buy)	(1) (5)						(3)	02/16/2009	Common Shares	124 (4)
Options (Right to Buy)	(1) (6)						(3)	03/02/2010	Common Shares	45 (4)
Options (Right to Buy)	(1) (7)						(3)	01/28/2012	Common Shares	398 (4)
Options (Right to Buy)	(1) (8)						(3)	01/28/2012	Common Shares	287 (4)
Options (Right to Buy)	(1) (9)						(3)	01/28/2012	Common Shares	287 (4)
Options (Right to Buy)	(1) (10)						(3)	02/08/2015	Common Shares	212 (4)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KENNEDY CHRISTOPHER 222 MERCHANDISE MART PLAZA SUITE 470 CHICAGO, IL 60654			President - Merchandise Mart	

## Signatures

/s/ Christopher G.  
Kennedy

05/30/2007

\_\_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) On May 29, 2007, the Compensation Committee of the Board of Trustees of the Issuer approved the calculation of adjustments to the outstanding options issued to the Reporting Person under the Issuer's Omnibus Stock Plans, to reflect the payment of two extraordinary dividends to the Issuer's holders of its Common Shares, one extraordinary dividend of \$.77 per Common Share paid December 30, 2005 and the other of \$.54 per Common Share paid November 21, 2006 (collectively, the "Adjustment").
- (2) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$48.0941 to \$47.4353.
- (3) Immediately.
- (4) As a result of the Adjustment, this number of additional options was granted to the Reporting Person under this previous award.
- (5) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$33.3461 to \$32.8893.
- (6) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$30.5828 to \$30.1638.
- (7) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$41.8584 to \$41.2850.
- (8) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$41.9799 to \$41.4048.
- (9) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$42.1008 to \$41.5241.
- (10) As a result of the Adjustment, the exercise price of the outstanding options granted to the Reporting Person was reduced from \$71.275 to \$70.2986.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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