

Vornado Realty Trust
210 Route 4 East
Paramus, NJ 07652-0910
Tel 201 587-1000
Fax 201 587-0600

VORNADO

REALTY TRUST

January 12, 2007

RE: Vornado Realty Trust Tax Components of the 2006 Dividends

Dear Stockholder:

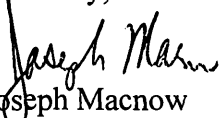
Attached is your Form1099. The following is the breakdown of your 2006 dividends by quarter:

<u>2006 Total Distribution</u>			<u>Composition of 2006 Total Distribution</u>		
<u>Date of Declaration</u>	<u>Date of Payment</u>	<u>2006 Amount</u>	<u>Ordinary Taxable Income</u>	<u>Long-Term Capital Gains</u>	<u>Return of Capital</u>
Regular Dividends:					
1/18/2006	2/8/2006	\$ 0.800000	\$ 0.800000	-----	-----
4/27/2006	5/17/2006	0.800000	0.299680	\$ 0.090257	\$ 0.410063
7/27/2006	8/22/2006	0.800000	-----	0.172085	0.627915
10/26/2006	11/21/2006	0.850000	-----	-----	0.850000
Subtotal		<u>\$ 3.250000</u>	<u>\$ 1.099680</u>	<u>\$ 0.262342</u>	<u>\$ 1.887978</u>
Special Dividend:					
10/26/2006	11/21/2006	\$ 0.540000	-----	\$ 0.298997	\$ 0.241003
Grand Total		<u>\$ 3.790000</u>	<u>\$ 1.099680</u>	<u>\$ 0.561339</u>	<u>\$ 2.128981</u>

Of the \$1.099680 amount reported as an ordinary taxable dividend, the amount that is a qualified dividend is \$0.069692 per share. Of the \$0.561339 amount reported as long-term capital gains, the amount that is an un-recaptured 1250 gain is zero.

If you should have any questions or need further information, please feel free to call me at 201-587-1000 or Frank Maiorano at 201-587-7450.

Sincerely,



Joseph Macnow
Executive Vice President - Finance & Administration