

VORNADO REALTY TRUST
Form DEF 14A
April 15, 2011

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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Check the appropriate box:

- Preliminary Proxy Statement
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VORNADO REALTY TRUST

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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VORNADO REALTY TRUST

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AND PROXY STATEMENT**

2011

This Proxy Statement is printed on recycled paper and is recyclable.

888 Seventh Avenue
New York, New York 10019

Notice of Annual Meeting of Shareholders to Be Held on May 26, 2011

To our Shareholders:

The 2011 Annual Meeting of Shareholders of Vornado Realty Trust, a Maryland real estate investment trust (the "Company"), will be held at the Saddle Brook Marriott, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663, on Thursday, May 26, 2011, beginning at 11:30 A.M., local time, for the following purposes:

- (1) To elect three persons to the Board of Trustees of the Company. Each person elected will serve for a term of three years and until his respective successor is duly elected and qualified.
- (2) To consider and vote upon the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the current fiscal year.
- (3) To consider and vote upon the approval of a non-binding, advisory resolution on executive compensation.
- (4) To consider and vote upon the approval of a non-binding, advisory resolution on the frequency of executive compensation advisory votes.
- (5) To consider and vote upon a non-binding shareholder proposal regarding majority voting, if properly presented at the meeting.
- (6) To consider and vote upon a non-binding shareholder proposal regarding the appointment of an independent Chairman, if properly presented at the meeting.
- (7) To consider and vote upon a non-binding shareholder proposal regarding establishing one class of trustees to be elected annually, if properly presented at the meeting.
- (8) To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

The Board of Trustees of the Company has fixed the close of business on March 30, 2011 as the record date for the determination of shareholders entitled to notice of, and to vote at, the meeting.

Please review the accompanying Proxy Statement and proxy card. Whether or not you plan to attend the meeting, it is important that your shares be represented and voted. You may authorize your proxy by the Internet or by touch-tone phone as described on the proxy card. Alternatively, you may sign the proxy card and return it in accordance with the instructions included with the proxy card. You may revoke your proxy by (1) executing and submitting a later-dated proxy card, (2) subsequently authorizing a proxy through the Internet or by telephone, (3) sending a written revocation of proxy to our Secretary at our principal executive office, or (4) attending the Annual Meeting and voting in person. To be effective, later-dated proxy cards, proxies authorized via the Internet or telephone or written revocations of proxies must be received by us by 11:59 P.M., New York City time, on Wednesday, May 25, 2011.

By Order of the Board of Trustees,
Alan J. Rice
Secretary
April 15, 2011

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888 Seventh Avenue
New York, New York 10019

PROXY STATEMENT

Annual Meeting of Shareholders to Be Held on May 26, 2011

The accompanying proxy is being solicited by the Board of Trustees (the "Board of Trustees" or the "Board") of Vornado Realty Trust, a Maryland real estate investment trust ("we," "us," "our" or the "Company"), for use at our 2011 Annual Meeting of Shareholders (the "Annual Meeting") to be held on Thursday, May 26, 2011, beginning at 11:30 A.M., local time, at the Saddle Brook Marriott, Interstate 80 and the Garden State Parkway, Saddle Brook, New Jersey 07663. Our principal executive office is located at 888 Seventh Avenue, New York, New York 10019. Our proxy materials, including this Proxy Statement, the Notice of Annual Meeting of Shareholders, the proxy card or voting instruction card and our 2010 Annual Report are being distributed and made available on or about April 15, 2011.

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission (the "SEC"), we have elected to provide access to our proxy materials to our shareholders on the Internet. Accordingly, a notice of Internet availability of proxy materials will be mailed on or about April 15, 2011 to our shareholders of record as of the close of business on March 30, 2011. Shareholders will have the ability (1) to access the proxy materials on a website referred to in the notice or (2) request that a printed set of the proxy materials be sent, at no cost to them, by following the instructions in the notice. **You will need your 12-digit control number that is included with the notice mailed on or about April 15, 2011, to vote your shares through the Internet. If you have not received a copy of this notice, please contact our investor relations department at 201-587-1000 or send an e-mail to ircontact@vno.com. If you wish to receive a hard copy of these materials, you may request them at www.proxyvote.com or by dialing 1-800-579-1639 and following the instructions at that website or phone number.**

How do you vote?

You may vote in person at the Annual Meeting or you may authorize your proxy over the Internet (at www.proxyvote.com), by telephone (at 1-800-690-6903) or by executing and returning a proxy card. Once you authorize a proxy, you may revoke that proxy by (1) executing and submitting a later-dated proxy card, (2) subsequently authorizing a proxy through the Internet or by telephone, (3) sending a written revocation of proxy to our Secretary at our principal executive office or (4) attending the Annual Meeting and voting in person. Attending the Annual Meeting without submitting a new proxy or voting in person will not automatically revoke your prior authorization of your proxy. To be effective, later-dated proxy cards, proxies authorized via the Internet, telephone or written revocations of proxies must be received by us by 11:59 P.M., New York City time, on Wednesday, May 25, 2011.

If you hold your common shares in "street name" (that is, through a bank, broker or other nominee), your nominee will not vote your shares unless you provide instructions to your nominee on how to vote your shares. You should instruct your nominee how to vote your shares by following the directions provided by your nominee.

We will pay the cost of soliciting proxies. We have hired MacKenzie Partners, Inc. to solicit proxies for a fee not to exceed \$5,500. In addition to solicitation by mail, by telephone and by e-mail or the Internet, arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries to send proxies and proxy materials to their principals and we may reimburse them for their expenses in so doing. If you hold shares in "street name," you will receive instructions from your nominee that you must follow in order to have your proxy authorized, or you may contact your nominee directly to request these instructions.

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Who is entitled to vote?

Only shareholders of record as of the close of business on March 30, 2011 are entitled to notice of and to vote at the Annual Meeting. We refer to this date as the "record date." On that date, 184,239,623 of our common shares of beneficial interest, par value \$0.04 per share (the "Shares"), were outstanding. Holders of Shares as of the record date are entitled to one vote per Share on each matter properly presented at the Annual Meeting.

How do you attend the meeting in person?

If you would like to attend the Annual Meeting in person, you will need to bring an account statement or other evidence acceptable to us of ownership of your Shares as of the close of business on the record date. If you hold Shares in "street name" and wish to vote in person at the Annual Meeting, you will need to contact your bank, broker or other nominee and obtain a proxy from your nominee and bring it to the Annual Meeting.

How will your votes be counted?

The holders of a majority of the outstanding Shares as of the close of business on the record date, present in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Any proxy, properly executed and returned, will be voted as directed and, if no direction is given, will be voted as recommended by the Board of Trustees in this Proxy Statement and in the discretion of the proxy holder as to any other matter that may properly come before the meeting. A broker non-vote and any proxy marked "withhold authority" or an abstention, as applicable, will count for the purposes of determining a quorum, but will have no effect on the result of the vote on the election of trustees, the ratification of the appointment of our registered independent public accounting firm, the non-binding, advisory vote on executive compensation, the non-binding, advisory vote on the frequency of executive compensation advisory votes or the shareholder proposals. A "broker non-vote" occurs when a broker returns a properly executed proxy but fails to vote on a matter because the broker lacks the discretionary authority to vote on the matter.

The election of each of our nominees for trustee requires a plurality of the votes cast at the Annual Meeting. The ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm, the approval of the non-binding, advisory vote on executive compensation, the non-binding shareholder proposal regarding majority voting, the non-binding shareholder proposal regarding the appointment of an independent Chairman and the non-binding shareholder proposal regarding establishing one class of trustees to be elected annually each require a majority of the votes cast on such matters at the Annual Meeting. The recommendation by a non-binding, advisory vote on the frequency of the advisory vote on executive compensation receiving a majority of all the votes cast (every one, two or three years) will be considered the frequency recommended by the shareholders. In the event that no option receives a majority of the votes cast, we will consider the option that receives the most votes to be the option selected by the shareholders.

PROPOSAL 1: ELECTION OF TRUSTEES

TRUSTEES STANDING FOR ELECTION

Our Board currently has 10 trustees. On February 17, 2011, our Board, on the recommendation of our Corporate Governance and Nominating Committee, nominated each of Messrs. Anthony W. Deering, Michael Lynne and Ronald G. Targan for election at our Annual Meeting to the class of trustees to serve until the Annual Meeting of Shareholders in 2014 and until their respective successors are duly elected and qualified. Each of these nominees currently serves as a member of our Board. Our organizational documents provide that our trustees are divided into three classes, as nearly equal in number as reasonably possible, as determined by the Board. One class of trustees is elected at each Annual Meeting to hold office for a term of three years and until their respective successors have been duly elected and qualified.

Unless you direct otherwise in the proxy, each of the persons named in the attached proxy will vote your proxy for the election of the three nominees listed below as trustees. If any nominee at the time of election is unavailable to serve, it is intended that each of the persons named in the proxy will vote for an alternate nominee who will be recommended by our Corporate Governance and Nominating Committee and nominated

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by the Board. Alternatively, the Board may reduce the size of the Board and number of nominees. Proxies may be voted only for the nominees named or such alternates. We do not currently anticipate that any nominee for trustee will be unable to serve as trustee.

The Board of Trustees recommends that shareholders vote "FOR" approval of the election of each of the nominees listed below to serve as a trustee until the Annual Meeting of Shareholders in 2014 and until his respective successor has been duly elected and qualified.

Under our Amended and Restated Bylaws (the "Bylaws"), a plurality of all the votes cast at the Annual Meeting, if a quorum is present, is sufficient to elect a trustee. Under Maryland law, proxies marked "withhold authority" will have no effect on the result of this vote. A broker non-vote will also have no effect on the result of this vote.

The following table lists the nominees and the other present members of the Board. For each such person, the table lists the age, principal occupation, position presently held with the Company, if any, and the year in which the person first became a member of our Board or a director of our predecessor, Vornado, Inc.

Name	Age	Principal Occupation and, if applicable, Present Position with the Company	Year Term Will Expire	Year First Appointed or Elected as Trustee
Nominees for Election to Serve as Trustees Until the Annual Meeting in 2014				
Anthony W. Deering ⁽¹⁾⁽²⁾	66	Chairman of Exeter Capital, LLC	2014	2005
Michael Lynne ⁽¹⁾⁽³⁾	69	Principal of Unique Features	2014	2005
Ronald G. Targan ⁽¹⁾⁽²⁾⁽³⁾	84	President of Malt Products Corporation	2014	1980
Present Trustees Elected to Serve as Trustees Until the Annual Meeting in 2012				
Steven Roth ⁽⁴⁾	69	Chairman of the Board of Trustees of the Company; Managing General Partner of Interstate Properties	2012	1979
Michael D. Fascitelli ⁽⁴⁾	54	President and Chief Executive Officer of the Company	2012	1996
Russell B. Wight, Jr. ⁽¹⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	71	A general partner of Interstate Properties	2012	1979
Present Trustees Elected to Serve as Trustees Until the Annual Meeting in 2013				
Candace K. Beinecke ⁽¹⁾⁽⁵⁾	64	Chair of Hughes Hubbard & Reed LLP	2013	2007
Robert P. Kogod ⁽¹⁾	79	President of Charles E. Smith Management LLC	2013	2002
David Mandelbaum ⁽¹⁾⁽⁵⁾	75	A member of the law firm of Mandelbaum & Mandelbaum, P.C.; a general partner of Interstate Properties	2013	1979
Dr. Richard R. West ⁽¹⁾⁽²⁾⁽³⁾	73	Dean Emeritus, Leonard N. Stern School of Business, New York University	2013	1982

(1) *Independent pursuant to the rules of the New York Stock Exchange ("NYSE") as determined by vote of the Board.*

(2) *Member of the Audit Committee of the Board.*

(3) *Member of the Compensation Committee of the Board.*

(4) *Member of the Executive Committee of the Board.*

(5) *Member of the Corporate Governance and Nominating Committee of the Board.*

(6) *Lead Trustee.*

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BIOGRAPHIES OF OUR TRUSTEES

Ms. Beinecke has served as Chair of Hughes Hubbard & Reed LLP, a New York law firm, since 1999 and is a practicing partner in Hughes Hubbard's Corporate Department. Ms. Beinecke also serves as Chairperson of the Board of Arnhold & S. Bleichroeder Advisors LLC's First Eagle Funds, Inc. (a U.S. public mutual fund family), and as a board member of ALSTOM (a public French transport and power company).

Mr. Deering is Chairman of Exeter Capital, LLC (a private investment firm). He previously served as Chairman of the Board and Chief Executive Officer of The Rouse Company (a public real estate company) until its merger with General Growth Properties in November 2004. Mr. Deering joined The Rouse Company in 1972 and also served as its Vice President and Treasurer, Senior Vice President and Chief Financial Officer, and President and Chief Operating Officer. Mr. Deering is also a director of a number of the T. Rowe Price Mutual Funds (investment management funds) and a director of Under Armour, Inc. (a sporting goods company). Mr. Deering served as a director of Mercantile Bank (a banking institution) from 2002 to 2007.

Mr. Fascitelli has been our President and a trustee since December 1996 and our Chief Executive Officer since May 2009. From December 1992 to December 1996, Mr. Fascitelli was a partner at Goldman, Sachs & Co. (an investment banking firm) in charge of its real estate practice and was a vice president prior thereto. He is also a director and the President of Alexander's, Inc. ("Alexander's") (a real estate investment trust) and a director of Toys "R" Us, Inc. (a retailer). In addition, from August 2005 through June 2008, Mr. Fascitelli was a member of the Board of Trustees of GMH Communities Trust (a real estate investment trust).

Mr. Kogod was appointed a trustee on January 1, 2002, the date Charles E. Smith Commercial Realty L.P. merged into a subsidiary of the Company. Currently, Mr. Kogod is the President of Charles E. Smith Management LLC (a privately-owned investment firm that is not affiliated with the Company). Previously, Mr. Kogod was Co-Chief Executive Officer and Co-Chairman of the Board of Directors of Charles E. Smith Commercial Realty L.P., from October 1997 through December 2001, and was Co-Chief Executive Officer and Co-Chairman of the Board of Directors of Charles E. Smith Residential Realty from June 1994 to October 2001. Mr. Kogod also served as a trustee of Archstone-Smith Trust (a real estate investment trust) until it was sold in 2007.

Mr. Lynne has been a principal of Unique Features (a motion picture company) since its formation in 2008. Prior to that he was Co-Chairman and Co-Chief Executive Officer of New Line Cinema Corporation (a subsidiary of Time Warner, Inc. and a motion picture company) since 2001. Prior to 2001, Mr. Lynne served as President and Chief Operating Officer of New Line Cinema, starting in 1990. From 2006 until 2008, Mr. Lynne served on the Board of Directors of Time Warner Cable Inc. (a telecommunications company).

Mr. Mandelbaum has been a member of the law firm of Mandelbaum & Mandelbaum, P.C. since 1967. Since 1968, he has been a general partner of Interstate Properties (an owner of shopping centers and investor in securities and partnerships, "Interstate"). Mr. Mandelbaum is also director of Alexander's.

Mr. Roth has been the Chairman of our Board of Trustees since May 1989 and Chairman of the Executive Committee of the Board since April 1980. From May 1989 until May 2009, Mr. Roth also served as our Chief Executive Officer. Since 1968, he has been a general partner of Interstate and he currently serves as its Managing General Partner. He is the Chairman of the Board and Chief Executive Officer of Alexander's. Since 2011, Mr. Roth has been a director of J. C. Penney Company, Inc. (a retailer). In addition, from 2005 until February 2011, Mr. Roth was a director of Toys "R" Us, Inc.

Mr. Targan has been the President of Malt Products Corporation of New Jersey (a producer of malt syrup) since 1962. From 1964 until July 2002, Mr. Targan was a member of the law firm of Schechner and Targan, P.A.

Dr. West is Dean Emeritus of the Leonard N. Stern School of Business at New York University. He was a professor there from September 1984 until September 1995 and Dean from September 1984 until August 1993. Prior thereto, Dr. West was Dean of the Amos Tuck School of Business Administration at Dartmouth College.

Dr. West is also a director of Alexander's and a number of investment companies managed by BlackRock Advisors (an asset management firm).

Mr. Wight has been a general partner of Interstate since 1968. Mr. Wight is also a director of Alexander's.

RELATIONSHIPS AMONG OUR TRUSTEES

We are not aware of any family relationships among any of our trustees or executive officers or persons nominated or chosen by us to become trustees or executive officers.

Messrs. Roth, Wight and Mandelbaum are each general partners of Interstate. Since 1992, Vornado has managed all the operations of Interstate for a fee as described in "Certain Relationships and Related Transactions Transactions Involving Interstate Properties."

Messrs. Roth, Fascitelli, Wight, Mandelbaum and Dr. West are also directors of Alexander's. We, together with Interstate and its general partners, beneficially own approximately 60% of the common stock of Alexander's outstanding as of the record date.

For more information concerning Interstate, Alexander's and other relationships involving our trustees, see "Certain Relationships and Related Transactions."

CORPORATE GOVERNANCE

The common shares of the Company or its predecessor have been continuously listed on the NYSE since January 1962 and the Company is subject to the NYSE's Corporate Governance Standards.

The Board has determined that Ms. Beinecke and Messrs. Deering, Kogod, Lynne, Mandelbaum, Targan, Wight and Dr. West are independent under the Corporate Governance Standards of the NYSE, making eight of our 10 trustees independent. The Board reached its conclusion after considering all applicable relationships between or among such trustees and the Company or management of the Company. These relationships are described in the sections of this proxy statement entitled "Relationships Among Our Trustees" and "Certain Relationships and Related Transactions." Among other factors considered by the Board in making its determinations regarding independence was the Board's determination that these trustees met all of the "bright-line" requirements of the NYSE Corporate Governance Standards as well as the categorical standards adopted by the Board as contained in our Corporate Governance Guidelines.

As part of its commitment to good corporate governance, the Board of Trustees has adopted the following committee charters and policies:

Audit Committee Charter

Compensation Committee Charter

Corporate Governance and Nominating Committee Charter

Corporate Governance Guidelines (attached as Annex A)

Code of Business Conduct and Ethics

We have made available on our website (www.vno.com) copies of these charters, guidelines and policies. We will post any future changes to these charters, guidelines and policies to our website and may not otherwise publicly file such changes. Our regular filings with the SEC and our trustees' and executive officers' filings under Section 16(a) of the Securities Exchange Act of 1934 are also available on our website. In addition, copies of these charters, guidelines and policies are available free of charge from the Company upon your

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written request. Requests should be sent to our investor relations department located at our principal executive office.

The Code of Business Conduct and Ethics applies to all of our trustees, executives and other employees.

COMMITTEES OF THE BOARD OF TRUSTEES

The Board has an Executive Committee, an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee. Other than the Executive Committee, each committee is comprised solely of independent trustees.

The Board held ten meetings during 2010. Each trustee attended at least 75% of the combined total of the meetings of the Board and all committees on which he or she served during 2010.

In addition to full meetings of the Board, non-management trustees met six times in sessions without members of management present. Mr. Wight, as Lead Trustee, acts as presiding member during these non-management sessions. We do not have a policy with regard to trustees' attendance at Annual Meetings of Shareholders. All of our trustees were present at the 2010 Annual Meeting of Shareholders.

Executive Committee

The Executive Committee possesses and may exercise certain powers of the Board in the management of the business and affairs of the Company. The Executive Committee consists of three members, Messrs. Roth, Fascitelli and Wight. Mr. Roth is the Chairman of the Executive Committee. The Executive Committee did not meet in 2010.

Audit Committee

The Audit Committee, which held seven meetings during 2010, consisted of three members during 2010: Dr. West, as Chairman, and Messrs. Deering and Targan.

The Board has adopted a written Audit Committee Charter, which sets forth the membership requirements of the Audit Committee, among other matters. The Board has determined that all existing Audit Committee members meet the NYSE and SEC standards for independence and the NYSE standards for financial literacy. In addition, at all times, at least one member of the Audit Committee has met the NYSE standards for financial management expertise.

The Board has determined that each of Dr. West and Mr. Deering is an "audit committee financial expert," as defined by SEC Regulation S-K, and thus has at least one such expert serving on its Audit Committee. The Board reached these conclusions based on the relevant experience of Dr. West and Mr. Deering, including as described above under "Biographies of our Trustees."

The Audit Committee's purposes are to (i) assist the Board in its oversight of (a) the integrity of our financial statements, (b) our compliance with legal and regulatory requirements, (c) the independent registered public accounting firm's qualifications and independence, and (d) the performance of the independent registered public accounting firm and the Company's internal audit function; and (ii) prepare an Audit Committee report as required by the SEC for inclusion in our annual proxy statement. The function of the Audit Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of our financial statements and for the effectiveness of internal control over financial reporting. Management is responsible for maintaining appropriate accounting and financial reporting principles and policies and internal controls and procedures that provide for compliance with accounting standards and applicable laws and regulations. The independent registered public accounting firm is responsible for planning and carrying out a proper audit of our annual financial statements, reviewing our quarterly financial statements prior to the filing of each Quarterly Report on Form 10-Q and annually auditing the effectiveness of internal control over financial reporting and other procedures. Persons interested in contacting our Audit Committee members with regard to accounting, auditing or financial concerns will find information on how to do so on our website (www.vno.com).

Compensation Committee

The Compensation Committee is responsible for establishing the terms of the compensation of the executive officers and the granting and administration of awards under the Company's omnibus share plans. The committee, which held nine meetings during 2010, consists of three members: Mr. Lynne, as Chairman, Mr. Targan and Dr. West. All members of the Compensation Committee have been determined by the Board to be independent. The Board has adopted a written Compensation Committee Charter.

Compensation decisions for our executive officers are made by the Compensation Committee. Decisions regarding compensation of other employees are made by our President and Chief Executive Officer in consultation with our Chairman and are subject to review and approval of the Compensation Committee. Compensation decisions for our trustees are made by the Compensation Committee and/or the full Board.

The agenda for meetings of the Compensation Committee is determined by its Chairman with the assistance of the Company's Secretary and/or other members of management. Compensation Committee meetings are attended from time to time by members of management at the invitation of the Compensation Committee. The Compensation Committee's Chairman reports the committee's recommendation on executive compensation to the Board. The Compensation Committee has authority under its charter to elect, retain, approve fees for and terminate compensation consultants, special counsel or other experts or consultants as it deems appropriate to assist in the fulfillment of its responsibilities. The Compensation Committee reviews the total fees paid by us to outside consultants to ensure that such consultants maintain their objectivity and independence when rendering advice to the committee.

The Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the committee. In particular, the Compensation Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the committee who are (i) "Non-Employee Directors" for the purposes of Rule 16b-3; and (ii) "outside directors" for the purposes of Section 162(m). Currently, all members of the Compensation Committee meet these criteria.

See "Compensation Discussion and Analysis" below for a discussion of the role of executive officers in determining or recommending compensation for our executive officers. We have also included under "Compensation Discussion and Analysis" a discussion of the role of compensation consultants in determining or recommending the amount or form of executive or trustee compensation.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee, which met three times during 2010, consists of Ms. Beinecke, as Chair, and Messrs. Mandelbaum and Wight. Each of Ms. Beinecke and Messrs. Mandelbaum and Wight has been determined by the Board to be independent. The Board has adopted a written Corporate Governance and Nominating Committee Charter. The committee's responsibilities include the selection of potential candidates for the Board and the development and review of our governance principles. It also reviews trustee compensation and benefits, and oversees annual self-evaluations of the Board and its committees. The committee also makes recommendations to the Board concerning the structure and membership of the other Board committees as well as management succession plans. The committee selects and evaluates candidates for the Board in accordance with the criteria set out in the Company's Corporate Governance Guidelines and as are set forth below. The committee is then responsible for recommending to the Board a slate of candidates for trustee positions for the Board's approval. Generally, candidates for a position as a member of the Board are suggested by existing Board members, however, the Corporate Governance and Nominating Committee will consider shareholder recommendations for candidates for the Board sent to the Corporate Governance and Nominating Committee, c/o Alan J. Rice, Secretary, Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019 and will evaluate any such recommendations using the criteria set forth in the Corporate Governance and Nominating Committee Charter.

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LEAD TRUSTEE

On February 17, 2011, our independent Trustees re-appointed Mr. Wight to serve as Lead Trustee for a one-year term. He has served in such capacity since February 2009. The responsibilities and duties of the Lead Trustee are described in our Corporate Governance Guidelines.

CRITERIA AND DIVERSITY

In considering whether to recommend any candidate for election or re-election as a trustee, including candidates recommended by shareholders, the Corporate Governance and Nominating Committee will apply the criteria set forth in our Corporate Governance Guidelines and considers criteria including:

personal abilities and skills;

personal qualities and characteristics, accomplishments and reputation in the business community;

current knowledge and understanding of our industry, other industries relevant to our business and the communities in which we do business;

ability and willingness to commit adequate time to Board and committee matters;

the fit of the individual's skills with those of other trustees in building a Board that is effective and responsive to the needs of the Company; and

diversity of viewpoints, experience and other demographics.

Accordingly, in consideration with many other factors, the Committee selects nominees with a broad diversity of abilities, experience, professions, skills and backgrounds. The Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The Company believes that the backgrounds and qualifications of members of our Board of Trustees, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

We believe our current nominees for the Board of Trustees and the other members of our Board collectively have the abilities, skills and experience to create a board that is well-suited to oversee the management of Vornado. Each member has the integrity, business judgment and commitment to our Board and our shareholders that comprise essential characteristics for a trustee of Vornado. Our trustees also bring to the Board highly developed skills in diverse areas such as finance and investing, accounting, law and the operation of real estate companies and are recognized leaders in their respective fields. In addition, members of the Board have diverse views and experiences that strengthen their ability to guide our Company. Additionally, we believe that the significant shareholdings in our Company held by our Board members is an important factor in aligning our Board's perspective with those of its shareholders in general. All of our trustees have equity interests in our Company. In addition, all of our trustees have extensive experience serving on the boards, and/or being at the most senior management level, of other public or private organizations. More specifically, Messrs. Roth, Fascitelli, Wight, Kogod, Mandelbaum, Deering and Targan each has extensive experience in the real estate industry generally, and with Vornado specifically, and is skilled in the investment in and operation of real estate or real estate companies. Dr. West and Mr. Deering each bring extensive experience in financial and accounting oversight. Messrs. Kogod, Deering, Lynne and Targan each has experience leading other companies. Dr. West has had a lengthy career in academia and as a leader of prominent business schools. Ms. Beinecke and Messrs. Mandelbaum and Targan each has led a law firm. Our Board greatly benefits from this robust and diverse set of abilities, skills and experience.

LEADERSHIP STRUCTURE

Currently, our Board of Trustees has an active, independent Lead Trustee and the positions of Chairman and Chief Executive Officer are held by separate persons. At present, our Board believes that this structure is appropriate and that it facilitates independent oversight of management.

THE BOARD'S ROLE IN RISK OVERSIGHT

While risk management is primarily the responsibility of the Company's senior management team, the Board of Trustees is responsible for the overall supervision of the Company's risk management activities. The Board's oversight of the material risks faced by our Company occurs at both the full Board level and at the committee level. The Board's role in the Company's risk oversight process includes receiving reports from members of senior management on areas of material risk to the Company, including operational, financial, legal and regulatory, strategic and reputational risks. The full Board (or the appropriate committee in the case of risks that are under the purview of a particular committee) receives these reports from the appropriate "risk owner" within the organization or in connection with other management-prepared presentations of risk to enable the Board (or committee, as applicable) to understand our risk identification, risk management and risk mitigation strategies. By "risk owner," we mean that person or group of persons who is or are primarily responsible for overseeing a particular risk. As part of its charter, the Audit Committee discusses our policies with respect to risk assessment and risk management and reports to the full Board its conclusions as a partial basis for further discussion by the full Board. This enables the Board and the applicable committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

* * * * *

Persons wishing to contact the independent members of the Board should call (866) 537-4644. A recording of each phone call to this number will be sent to one independent member of the Board who sits on the Audit Committee as well as to a member of management who may respond to any such call if the caller provides a return number. This means of contact should not be used for solicitations or communications with us of a general nature. Information on how to contact us generally is available on our website (www.vno.com).

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PRINCIPAL SECURITY HOLDERS

The following table lists the number of Shares and Units beneficially owned, as of March 30, 2011, by (i) each person who holds more than a 5% interest in the Company or our operating partnership, Vornado Realty L.P., a Delaware limited partnership (the "Operating Partnership"), (ii) trustees of the Company, (iii) the executive officers of the Company defined as "Covered Executives" in "Executive Compensation" below, and (iv) the trustees and all executive officers of the Company as a group. Unless otherwise specified, "Units" are Class A units of limited partnership interest of our Operating Partnership and other classes of units convertible into Class A units. The Company's ownership of Units is not reflected in the table but is described in footnotes (1) and (2).

Name of Beneficial Owner	Address of Beneficial Owner	Number of Shares and Units Beneficially Owned ⁽¹⁾⁽²⁾	Percent of All Shares ⁽¹⁾⁽²⁾⁽³⁾	Percent of All Shares and Units ⁽¹⁾⁽²⁾⁽⁴⁾
Named Executive Officers and Trustees				
Steven Roth ⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾	(9)	9,326,767	5.03%	4.71%
David Mandelbaum ⁽⁵⁾⁽⁸⁾	(9)	9,052,838	4.91%	4.60%
Russell B. Wight, Jr. ⁽⁵⁾⁽⁸⁾⁽¹⁰⁾	(9)	6,178,107	3.35%	3.14%
Michael D. Fascitelli ⁽⁷⁾⁽⁸⁾⁽¹¹⁾	(9)	2,905,986	1.57%	1.47%
Robert P. Kogod ⁽⁸⁾⁽¹²⁾	(9)	2,475,160	1.34%	1.26%
Ronald G. Targan ⁽⁸⁾	(9)	607,405	*	*
Joseph Macnow ⁽⁷⁾⁽⁸⁾⁽¹³⁾	(9)	165,525	*	*
Richard R. West ⁽⁸⁾⁽¹⁴⁾	(9)	29,848	*	*
Sandeep Mathrani ⁽⁷⁾⁽⁸⁾	(9)	28,415	*	*
Michelle Felman ⁽⁷⁾	(9)	18,079	*	*
Anthony W. Deering ⁽⁸⁾	(9)	8,899	*	*
Michael Lynne ⁽⁸⁾	(9)	5,528	*	*
Candace K. Beinecke ⁽⁸⁾	(9)	3,695	*	*
All trustees and executive officers as a group (18 persons) ⁽⁷⁾⁽⁸⁾	(9)	20,274,533	11.01%	10.39%
Other Beneficial Owners				
The Vanguard Group, Inc. ⁽¹⁵⁾	100 Vanguard Blvd Malvern, PA 19355	14,727,280	7.99%	7.48%
BlackRock, Inc. ⁽¹⁶⁾	40 East 52 nd Street New York, NY 10019	12,347,869	6.70%	6.27%

*Less than 1%.

(1) Unless otherwise indicated, each person is the direct owner of, and has sole voting power and sole investment power with respect to, such Shares and Units. Numbers and percentages in the table are based on 184,239,623 Shares and 12,634,510 Units (other than Units held by the Company) outstanding as of March 30, 2011.

(2) In April 1997, the Company transferred substantially all of its assets to the Operating Partnership. As a result, the Company conducts its business through, and substantially all of its interests in properties are held by, the Operating Partnership. The Company is the sole general partner of, and owned approximately 94% of the Units of, the Operating Partnership as of March 30, 2011 (one Unit for each Share outstanding).

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Generally, any time after one year from the date of issuance (or two years in the case of certain holders), holders of Units (other than the Company) have the right to have their Units redeemed in whole or in part by the Operating Partnership for cash equal to the fair market value, at the time of redemption, of one Share for each Unit redeemed or, at the option of the Company, cash or one Share for each Unit tendered, subject to customary anti-dilution provisions (the "Unit Redemption Right"). Holders of Units may be able to sell publicly Shares received upon the exercise of their Unit Redemption Right pursuant to registration rights agreements with the Company. The Company has filed registration statements with the SEC to register the issuance or resale of certain of the Shares issuable upon the exercise of the Unit Redemption Right.

- (3) The total number of Shares outstanding used in calculating this percentage assumes that all Shares that each person has the right to acquire within 60 days of the record date (pursuant to the exercise of options or upon the redemption or conversion of other Company or Operating Partnership securities for or into Shares) are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.
- (4) The total number of Shares and Units outstanding used in calculating this percentage assumes that all Shares and Units that each person has the right to acquire within 60 days of the record date (pursuant to the exercise of options or upon the redemption or conversion of Company or Operating Partnership securities for or into Shares or Units) are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.
- (5) Interstate, a partnership of which Messrs. Roth, Wight and Mandelbaum are the three general partners, owns 5,603,548 Shares. These Shares are included in the total Shares and the percentage of class for each of them. Messrs. Roth, Wight and Mandelbaum share voting power and investment power with respect to these Shares. 1,000,000 of the Shares held by Interstate are pledged as security for loans from a third party.
- (6) Includes 931,512 Shares held in a grantor trust and 3,873 Shares owned by the Daryl and Steven Roth Foundation, over which Mr. Roth holds sole voting power and sole investment power. Does not include 37,299 Shares owned by Mr. Roth's wife, as to which Mr. Roth disclaims any beneficial interest. Also includes Shares issuable on the exercise of options that have been pledged by Mr. Roth to the Company as security for a loan granted by the Company as described below (which have a value at least twice that of the loan balance).
- (7) The number of Shares beneficially owned by the following persons includes the number of Shares indicated due to the vesting of options: Steven Roth 1,052,036; Michael D. Fascitelli 1,028,717; Joseph Macnow 56,904; and all trustees and executive officers as a group 2,621,833.
- (8) The number of Shares beneficially owned by Richard R. West includes 456 shares of unvested restricted stock and 12,687 shares of unvested restricted stock for all trustees and executive officers as a group. Dr. West may direct the voting of these unvested restricted Shares. The number of Shares and Units (but not the number of Shares alone) beneficially owned by the following persons also includes the number of vested and redeemable Restricted Units (as defined below) as indicated: David Mandelbaum 452; Russell B. Wight, Jr. 452; Robert P. Kogod 452; Ronald G. Targan 452; Richard R. West 452; Anthony W. Deering 3,256; Michael Lynne 3,256; Candace K. Beinecke 3,256; and all trustees and executive officers as a group 12,028. The number of Shares or Units beneficially owned by the following persons does not include the number of unvested or unredeemable Restricted Units as indicated: Steven Roth 198,483; David Mandelbaum 1,859; Russell B. Wight, Jr. 1,859; Michael D. Fascitelli 198,071; Robert P. Kogod 1,859; Ronald G. Targan 1,859; Joseph Macnow 64,417; Richard R. West 1,251; Sandeep Mathrani 2,467; Michelle Felman 43,486; Anthony W. Deering 1,859; Michael Lynne 1,859; Candace K. Beinecke 1,596; and all trustees and executive officers as a group 766,201.
- (9) The address of such person(s) is c/o Vornado Realty Trust, 888 Seventh Avenue, New York, New York 10019.
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- (10) *Includes 11,495 Shares owned by the Wight Foundation, over which Mr. Wight holds sole voting power and sole investment power. Does not include 16,575 Shares owned by the spouse and children of Mr. Wight. Mr. Wight disclaims any beneficial interest in these Shares.*
- (11) *The number of Shares beneficially owned by Mr. Fascitelli does not include 3,150 Shares owned by his children.*
- (12) *Does not include 196,842 Shares and 92,582 Units owned by Mr. Kogod's wife. Mr. Kogod disclaims any beneficial interest in these Shares. Includes 1,361,795 Shares and Units as to which Mr. Kogod shares investment power with his wife and/or children or which are held by a trust for the benefit of family members for which he serves as trustee.*
- (13) *Mr. Macnow and his wife jointly own 101,390 of these Shares, which are pledged as security for loans from third parties.*
- (14) *Dr. West and his wife own 3,356 of these Shares jointly. Also included are 1,433 Shares that may be acquired upon conversion of 1,000 Series A preferred shares of beneficial interest owned by Dr. West.*
- (15) *According to an amendment to Schedule 13G filed on February 9, 2011, The Vanguard Group, Inc., either directly or through affiliates, beneficially owns and has dispositive power with respect to 14,514,868 Shares and its affiliate Vanguard Fiduciary Trust Company beneficially owns 212,412 Shares as investment manager of collective trust accounts and it directs the voting of those Shares.*
- (16) *According to an amendment to Schedule 13G filed on January 21, 2011, BlackRock, Inc. and related entities control these Shares.*

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our trustees and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership of, and transactions in, certain classes of our equity securities with the SEC. Such trustees, executive officers and 10% shareholders are also required to furnish us with copies of all Section 16(a) reports they file.

Based solely on a review of the Forms 3, 4 and 5, and any amendments thereto, furnished to us, and on written representations from certain reporting persons, we believe that the only filing deficiencies under Section 16(a) by our trustees, executive officers and 10% shareholders in the year ended December 31, 2010 (or in 2011, prior to the mailing of this proxy statement) that were not reported in the proxy statement for our 2010 annual meeting of shareholders are as follows:

- (a) one late filing by Michael Lynne, a trustee, with regard to one transaction reported on a Form 4;
 - (b) one late filing by Dr. Richard R. West, a trustee, with respect to the purchase of preferred shares reported on Form 4; and
 - (c) one late filing by Steven Roth, a trustee and Chairman of the Board, with respect to one transaction, reported on a Form 4.
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COMPENSATION DISCUSSION AND ANALYSIS

Overview of Compensation Philosophy and Program

We believe that the quality, skills and dedication of our senior executive officers are critical factors affecting the long-term value of the Company. Our key compensation goals are to attract world-class executive talent; retain our key leaders; reward past performance; provide an incentive for future performance; and align our executives' long-term interests with those of our investors. We use a variety of compensation elements to achieve these goals, including base salary, annual bonuses, options, Restricted Shares, Restricted Units and out-performance units, all of which we discuss in detail below. Our decisions on senior executive officer compensation are based primarily upon our assessment of each executive's leadership, operational performance and potential to enhance long-term shareholder value. We rely upon our judgment about each individual and not on rigid formulas or short-term changes in business performance in determining the amount and mix of compensation elements. In this discussion, when we discuss the "Market Value" of equity awards we refer to values based on the market price of our Shares at the date of grant (the values actually considered by our Compensation Committee in making compensation decisions). When we discuss the "Fair Value" of equity awards, we refer to the "fair value" for such awards determined in accordance with applicable securities and accounting rules (excluding the impact of estimated forfeitures related to service-based vesting conditions). Fair Value is the method used for presenting values for equity awards in our "Summary Compensation Table" and elsewhere under "Executive Compensation."

Current Year Compensation Decisions

We make our compensation decisions generally in the first quarter of a fiscal year with respect to the prior year. For the executives listed in our Summary Compensation Table (our "Covered Executives"), total compensation for 2010 (with bonuses and equity awarded in 2011 and not including severance) decreased by 41% compared to the prior year.

The compensation levels discussed in this Compensation Discussion and Analysis section are not directly comparable to the amounts presented in the Summary Compensation Table further below in this proxy statement primarily because this discussion pertains to awards granted in the first quarter of a fiscal year with respect to the trailing fiscal year (in accordance with the manner in which the Compensation Committee makes compensation decisions) whereas the Summary Compensation Table (in accordance with applicable SEC rules and regulations) shows awards in the years they were made. Also, the Summary Compensation Table includes compensation amounts based on the change in pension value and nonqualified deferred compensation earnings, as well as other items of compensation, including perquisites and other personal benefits.

Implementing Our Objectives

Our decisions on senior executive officer compensation are based primarily upon our assessment (and the review and approval of the Compensation Committee) of each executive's leadership, operational performance and potential to enhance long-term shareholder value. Awards are based upon an analysis of actual, historical performance for the then preceding year rather than establishing targets intended to serve as a proxy for performance to be delivered by an executive after the date those targets are set. We believe that this method, as opposed to a formulaic method of determining compensation, has the added benefit of reducing the risk to the Company that could potentially be associated with compensation decisions. Key factors affecting our judgment include: actual performance compared to the financial, operational and strategic goals established for the executive's operating division at the beginning of the year; the nature, scope and level of responsibilities; the contribution to the Company's financial results, particularly with respect to key metrics such as earnings before interest, taxes, depreciation and amortization ("EBITDA"), funds from operations ("FFO"), Comparable FFO (as provided in our regular annual and quarterly reports) and total return to shareholders during the year; and the contribution to the Company's commitment to corporate responsibility, including success in creating a culture of unyielding integrity and compliance with applicable laws and our ethics policies. These factors may be considered on an absolute and/or relative basis with respect to other companies or indices. We also consider each executive's current salary and prior-year bonus, the value of an executive's equity stake in the Company, and the appropriate balance between incentives for long-term and short-term performance and the compensation paid to the executive's peers within the Company. We also

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consider competitive market compensation paid by other companies that operate in our business or that compete for the same talent pool, such as other S&P 500 REITs, other real estate companies operating in our core markets and, in some cases, investment banking, hedge fund and private equity firms. However, we do not tie our compensation decisions to any particular range or level of total compensation paid to executives at these companies. In addition, while we encourage alignment with shareholders' interests through long-term, equity-based compensation, we have no pre-established target for the allocation of compensation between cash and non-cash or short-term and long-term incentive elements. We apportion cash payments and equity incentive awards as another tool to provide the appropriate incentives to meet our compensation objectives both individually and in the aggregate for executives and other employees. The factors we consider in evaluating compensation for any particular year may not be applicable to determinations in other years. In addition, typically, our Chairman and our President and Chief Executive Officer receive a higher proportion of their compensation in the form of equity than our other senior executives. This allocation is based on (1) the relative seniority of these executives; and (2) a determination that these executives should have a greater proportion of their compensation in a form that aligns further their interests with those of shareholders. We believe the most important indicator of whether our compensation objectives are being met is whether we have motivated our named executives to deliver superior performance and retained them to continue their careers with us on a cost-effective basis.

Role of the Corporate Governance and Nominating Committee, the Compensation Committee, the Chairman and the President and CEO

The Corporate Governance and Nominating Committee of our Board is responsible for evaluating potential candidates for executive positions, including the Chairman and the President and Chief Executive Officer, and for overseeing the development of executive succession plans. The Compensation Committee of our Board (1) reviews and approves the compensation of our officers and other employees whose total cash compensation exceeds \$200,000 per year, (2) oversees the administration and implementation of our incentive compensation and other equity-based plans, and (3) regularly evaluates the effectiveness of our overall executive compensation program.

As part of this responsibility, the Compensation Committee oversees the design, development and implementation of the compensation program for our Chairman, our President and Chief Executive Officer and our other named executives. The Compensation Committee evaluates the performance of our Chairman and our President and Chief Executive Officer and sets their compensation. Our Chairman and our President and Chief Executive Officer and the Compensation Committee together assess the performance of our named executives and determine their compensation, based on the initial recommendations of our Chairman and our President and Chief Executive Officer. The other named executives do not play a role in determining their own compensation, other than discussing individual performance objectives with our Chairman and our President and Chief Executive Officer.

In support of these responsibilities, members of our senior management, in conjunction with other senior executives, have the initial responsibility of reviewing the performance of the employees reporting to him or her and recommending compensation actions for them.

This process involves multiple meetings among our Chairman, our President and Chief Executive Officer and our Compensation Committee. Typically, in the third and fourth quarters of each year, these parties meet to discuss and establish an overall level of compensation for the year and the base compensation for the following year. For 2010, as has been our normal practice, our President and Chief Executive Officer obtained individual recommendations from division heads as to compensation levels for those persons reporting to the division heads. These recommendations are discussed among our President and Chief Executive Officer and the division heads prior to a recommendation being presented to the Compensation Committee. For our senior executives other than our Chairman and our President and Chief Executive Officer, recommendations are prepared based upon discussions among the Compensation Committee, our Chairman and our President and Chief Executive Officer. These recommendations are based upon our objectives described above and may include factors such as information obtained from compensation consultants. Our Chairman and our President and Chief Executive Officer discuss these recommendations with our other senior executives in one-on-one meetings. After these discussions, certain allocations or other aspects of compensation may be revised to some degree and the revised recommendations are presented to the Compensation Committee for discussion

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and review and, ultimately, through a continued process, approval. The compensation of our Chairman and our President and Chief Executive Officer is determined in accordance with a similar process involving direct discussions among the Compensation Committee and our Chairman and our President and Chief Executive Officer. Historically, except for OPP awards, specific performance targets are not used in determining compensation.

Role of Compensation Consultants

We and the Compensation Committee also consult with one or more executive compensation experts, from time to time, and consider the compensation levels of companies within our industry and other industries that compete for the same talent. Periodically, we have retained compensation consultants to assist in the design of programs that affect senior executive compensation, most recently in the development of our out-performance plan (described below). The Compensation Committee has retained Towers Watson & Co. ("Towers Watson") to provide assistance in reviewing our overall compensation plan, its objectives and implementation. For 2010 compensation decisions, Towers Watson was directed to review our comparative compensation levels for senior executive officers. Towers Watson prepared an analysis of compensation levels and performance using the metrics described below at the following companies that it determined to be comparable: BlackRock, Inc.; Boston Properties, Inc.; CB Richard Ellis Group, Inc.; Equity Residential; Franklin Resources, Inc.; Host Hotels & Resorts, Inc.; Jefferies Group, Inc.; Jones Lang LaSalle Incorporated; Lazard Ltd.; Legg Mason, Inc.; ProLogis; Simon Property Group, Inc.; and SL Green Realty Corp. The consensus of the Compensation Committee was that the analyses were useful in indicating that our compensation levels were not out of line with these other companies.

Compensation Elements for Senior Executive Officers

The elements of our executive compensation program are set forth below. The factors we consider in making compensation awards for our senior executive officers are set forth above and are based upon a subjective, non-formulaic evaluation of senior executive and Company performance conducted by the Compensation Committee together with our Chairman and our President and Chief Executive Officer. These factors are considered as a whole and no one factor is determinative of an executive's compensation. Among the factors considered, both objectively and subjectively, were the changes in the Company's and the applicable division's operating and performance metrics during the year (EBITDA, FFO and Comparable FFO), our total return to shareholders during the year, asset and personnel development and the other factors previously mentioned. Increases or decreases and allocations for 2010, 2009 and 2008 of various compensation elements to our named executive officers were based upon the results of these reviews. In several cases, as described below, some aspects of the compensation paid to our executives are affected by the terms of applicable employment agreements. In such cases, for instance, base salaries cannot be decreased during the employment term. Our EBITDA, FFO, Comparable FFO and total return to shareholders for 2010, 2009 and 2008 are presented below. EBITDA, FFO, Comparable FFO and total return to shareholders are not metrics that are presented in accordance with generally accepted accounting principles ("GAAP") although they are the metrics actually considered in making our compensation decisions. Reconciliations of EBITDA, FFO and Comparable FFO to the most comparable GAAP measures are included in our Annual Reports on Form 10-K for the years ended December 31, 2010 and 2009.

Metrics Considered
(amounts in thousands of dollars, other than percentages)

	2010	2009	2008
EBITDA	2,182,355	1,672,004	1,749,348
FFO	1,149,781	583,596	813,064
Comparable FFO	1,022,059	848,603	826,391
Total return to shareholders	23.2%	19.4%	(28.4)%

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Base Salary

Base salaries for our executives are established based on the scope of their responsibilities, taking into account competitive market compensation paid by other companies for similar positions as well as salaries paid to the executives' peers within the Company. We set base salaries at a level designed to attract and retain superior leaders. Base salaries are typically reviewed every 12 months in the first quarter of each year in connection with annual performance reviews, and adjusted to take into account outstanding individual performance, promotions and competitive compensation levels. There were no increases in named executive officer base salaries for 2011 over that of 2010.

Annual Bonus

We pay annual bonuses as a component of overall compensation as well as to provide an incentive and a reward for superior performance. From time to time, we may pay additional special bonuses for superior performance. None of our current bonuses are (and only in rare cases are any bonuses) based on specific performance targets. Bonuses are paid in cash and/or in equity interests, generally in the first quarter of each year for the prior year's performance. These bonuses are based upon our evaluation of each executive's individual performance during the prior year in the context of our assessment of the overall performance of the Company and the executive's business unit or function in meeting the budgeted financial and other goals established for the Company and the executive's business unit or function. In the case of our Chairman and our President and Chief Executive Officer, the annual bonuses paid to them in 2011 (for 2010 performance) were in the form of Restricted Units. As described below, we believe Restricted Units to be a tax-efficient form of compensation that continues to align the executive's interests with those of our shareholders, and enhances retention through vesting conditions. Special bonuses are generally awarded in recognition of outstanding achievement with regard to specific events based upon an after-the-fact subjective evaluation of factors then deemed important by our Chairman, our President and Chief Executive Officer and our Compensation Committee.

Options, Restricted Shares and Restricted Units

Also, generally in the first quarter of each year in connection with annual performance reviews, we make grants to the Company's officers, including our senior executive officers of: options to purchase our common shares, Restricted Shares, and/or Restricted Units. The portion of overall compensation, if any, allocated each year among these types of grants is determined by the Compensation Committee, in conjunction with our Chairman and our President and Chief Executive Officer, taking into account our overall compensation objectives. These grants are intended to serve as incentives for our superior performers to remain with us and continue that performance. Generally, unvested equity grants are forfeited if the executive leaves the Company, however, options fully vest if an executive departs the Company after the age of 65 or his or her employment is terminated due to a disability prior to retirement and all equity awards automatically vest on death or upon a change of control. In some cases (described below under "Other Compensation Policies and Practices"), employment agreements may provide for acceleration of equity awards in the event of certain employment terminations. All equity grants are accounted for in our financial statements in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation - Stock Compensation* ("FASB ASC Topic 718").

Upon vesting, each option permits the executive, for a period of ten years from the original grant date, to purchase the stated number of common shares from the Company at an exercise price per share determined on the date of grant. Options have value only to the extent the price of our shares on the date of exercise exceeds the applicable exercise price. Options generally become exercisable in three to five equal annual installments beginning approximately one year after the grant date.

"Restricted Shares" are grants of our common shares that generally vest in three to five equal annual installments beginning approximately one year after the grant date. "Restricted Units" are grants of limited partnership interests in Vornado Realty L.P., our operating partnership through which we conduct substantially all of our business. These units also generally vest in three to five equal annual installments beginning approximately one year after the grant date and are exchangeable on a one-for-one basis into Vornado Realty L.P.'s Class A common units in certain circumstances. These circumstances principally include the

requirement that Vornado Realty L.P. must have gone through certain tax "book-up" events whereby sufficient profits have been allocated to the Restricted Units so that they have the same capital account (and value) as Class A common units. In addition, there is a two-year holding requirement. Vornado Realty L.P.'s Class A common units can be redeemed for common shares of the Company on a one-for-one basis (or for the equivalent value in cash at the Company's option) with only limited restrictions, such as a 60-day waiting period between the time that a redemption notice is given and the date that common shares may be delivered. Restricted Units are intended to also provide recipients with better income tax attributes than Restricted Shares. During the restricted period, each Restricted Share or Restricted Unit entitles the recipient to receive payments from the Company equal to the dividends on one Share.

Out-Performance Units

In 2006 and again in 2008, our Compensation Committee approved the adoption of an out-performance plan. These plans are designed to provide compensation in a "pay for performance" structure. Awards under our out-performance plans are a class of units (collectively referred to as "OPP Units") of the Company's operating partnership, Vornado Realty L.P., issued under our 2002 Omnibus Share Plan, as amended. If the specific performance objectives of these out-performance plans are achieved as determined by our Compensation Committee, the OPP Units become convertible into Class A common units of Vornado Realty L.P. (and ultimately into our Shares) following vesting, and their value fluctuates with changes in the value of our Shares. If the performance objectives are not met, the OPP Units are cancelled. Generally, unvested OPP Units are forfeited if the executive leaves the Company, except that OPP Units vest automatically on death or upon a change of control. OPP Units are intended to also provide recipients with better income tax attributes than grants of options. All grants under our OPP Plans have been accounted for in accordance with FASB ASC Topic 718. All performance requirements for the earning of OPP Units granted in 2006 were met as of January 12, 2007 and consequently, all OPP Unit awards granted in 2006 were earned as of that date and are currently vested. In the first quarter of 2009, each of our nine most senior executive officers at the time voluntarily surrendered all grants to them of OPP Units awarded to them in 2008 (without any consideration or agreement for consideration in the future).

Nonqualified Deferred Compensation Plans

We maintain two nonqualified deferred compensation plans, the Vornado Realty Trust Nonqualified Deferred Compensation Plan ("Plan I") and the Vornado Realty Trust Nonqualified Deferred Compensation Plan II ("Plan II"; collectively, the "Plans"). Plan I and Plan II are substantially similar, except that Plan II, which applies to deferrals on and after January 1, 2005, is designed to comply with the deferred compensation restrictions of Section 409A of the Internal Revenue Code of 1986, as amended.

Employees having annual compensation of at least \$200,000 are eligible to participate in Plan II, provided that they qualify as "accredited investors" under securities laws. Members of our Board of Trustees are also eligible to participate. To participate, an eligible individual must make an irrevocable election to defer at least \$20,000 of his or her compensation (whether cash or equity) per year. Participant deferrals are always fully vested. The Company is permitted to make discretionary credits to the Plans on behalf of participants, but as yet has not done so. Deferrals are credited with earnings based on the rate of return of specific security investments or various "benchmark funds" selected by the individual, some of which are based on the performance of the Company's securities.

Participants may elect to have their deferrals credited to a "Retirement Account" or a "Fixed Date Account." Retirement Accounts are generally payable following retirement or termination of employment. Fixed Date Accounts are generally payable at a time selected by the participant, which is at least two full calendar years after the year for which deferrals are made. Participants may elect to receive distributions as a lump sum or in the form of annual installments over no more than ten years. In the event of a change in control of the Company, all accounts become immediately payable in a lump sum. Plan I also permits a participant to withdraw all or a portion of his or her accounts at any time, subject to a 10% withdrawal penalty.

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Retirement and 401(k) Plans

We offer a 401(k) Retirement Plan to all of our employees for whom we provide matching contributions (up to 75% of the statutory maximum but not more than 7.5% of cash compensation) which vest over five years. We do not have any other retirement plan. Retirement plans are not a factor in our current compensation determinations.

Perquisites and Other Compensation

We provide our senior executive officers with perquisites that we believe are reasonable, competitive and consistent with our overall executive compensation program. These perquisites may include: use of a Company car and a driver; financial counseling and tax preparation services; and supplemental life insurance. The costs of these benefits generally constitute a small percentage of any applicable executive's overall compensation.

Basis for Chief Executive Officer Compensation

Cash compensation

Mr. Fascitelli's base salary of \$1,000,000 was established in March 2001 and has remained unchanged since then. Mr. Fascitelli's bonuses for 2010, 2009 and 2008 (granted in 2011, 2010 and 2009, respectively) were principally in the form of equity. His total cash compensation for 2010, 2009 and 2008 was \$1,005,700, \$1,000,000 and \$1,003,800, respectively.

Equity compensation

Mr. Fascitelli's bonus for 2010, 2009 and 2008 was paid in Restricted Units having a Fair Value of \$950,000, \$940,000 and \$940,000, respectively. This represents a 1% change between 2010 as compared to 2009 and 2008. The number of Restricted Units awarded as bonuses for 2010, 2009 and 2008 was 10,906, 13,775 and 29,573, respectively.

For 2010, Mr. Fascitelli was granted (in 2011) long-term equity incentive compensation of 32,718 Restricted Units (having a Market Value of \$3,000,000 and a Fair Value of \$2,850,000) and an option to acquire 136,237 Shares with an exercise price of \$91.695 per Share (having a Fair Value of \$3,000,000). The aggregate Fair Value at the date of grant of these awards of Restricted Units and options is \$5,850,000 and represents a 24% decrease in the aggregate value of non-bonus grants of Restricted Units and options as compared to the prior year. For 2009, Mr. Fascitelli was granted (in 2010) long-term equity incentive compensation of 62,000 Restricted Units (having a Market Value of \$4,500,000 and a Fair Value of \$4,231,000) and an option to acquire 207,000 Shares with an exercise price of \$72.60 per Share (having a Fair Value of \$3,500,000). The aggregate Fair Value on the date of grant of these awards of Restricted Units and options was \$7,731,000 and represented a 156% increase in the aggregate value of non-bonus grants of Restricted Units and options as compared to 2008. For 2008, Mr. Fascitelli was also granted (in 2009) 45,000 Restricted Units (having a Market Value of \$1,521,000 and a Fair Value of \$1,430,000) and an option to acquire 300,000 Shares with an exercise price of \$33.82 per share (having a Fair value of \$1,593,000). The aggregate Fair Value on the date of grant of these awards of Restricted Units and options was \$3,023,000. In 2008, Mr. Fascitelli was also granted an award of OPP Units. The OPP Units and options granted in 2008 were voluntarily surrendered (without compensation) in the first quarter of 2009. These awards, despite being surrendered without resulting in any actual compensation to Mr. Fascitelli, or any cash compensation cost to the Company, accounted for \$8,982,000 (at Fair Value) of the compensation set forth in our summary compensation table for 2008 for Mr. Fascitelli.

Overall, for 2010, Mr. Fascitelli's total compensation (with equity determined at Fair Value) was \$7,806,000 compared to \$9,670,000 in the prior year (a 19% decrease). For 2009, Mr. Fascitelli's total compensation (with equity determined at Fair Value) was \$9,670,000 compared to \$4,967,000 in the prior year (a 95% increase).

Mr. Fascitelli's salary, bonus and equity awards were based on an evaluation of those factors previously described and were approved by the Compensation Committee. Among the factors considered, both

objectively and subjectively, were the strategic position of the Company, the changes in the Company's operating and performance metrics during the two-year period (EBITDA and Comparable FFO per Share), our total return to shareholders during the two-year period and the other factors previously mentioned. These factors were considered as a whole and no numerical weight was attributed to any particular factor. The majority of Mr. Fascitelli's compensation is in the form of equity to further align his interests with those of our shareholders.

Basis for Compensation of Other Named Executives

For our other named executive officers (Messrs. Roth, Macnow and Mathrani and Ms. Felman), such executive's salary, bonus and other equity awards were based on an evaluation of those factors previously described and were approved by the Compensation Committee. Among the factors considered, both objectively and subjectively, were the strategic position of the Company, the changes in the Company's operating and performance metrics during the two-year period (EBITDA and Comparable FFO per Share), our total return to shareholders during the two-year period and the other factors previously mentioned. With regard to Messrs. Roth and Macnow (our Chairman and Chief Financial Officer, respectively), we considered these factors as they apply to our Company as a whole as their responsibilities are company-wide. For Mr. Roth as our Chairman, we determined that the majority of his compensation should be in the form of equity to further align his interests with those of our shareholders. For Mr. Mathrani, we also considered these factors as they pertain to the applicable division of which such executive was the head. Mr. Mathrani was our Executive Vice President Retail. For Ms. Felman and Mr. Mathrani, we also considered the performance of such executive during her or his career with the Company. In all cases, these factors were considered as a whole and no numerical weight was attributed to any particular factor. In the aggregate, total compensation (with equity determined at Fair Value and not including severance paid to Ms. Felman) awarded to these named executive officers for 2010 decreased by 41% as compared to the prior year. Total compensation (with equity determined at Fair Value) awarded for 2009 to these named executives increased by 130% from that awarded for 2008. In addition, in the first quarter of 2009, these executives voluntarily surrendered (for no compensation) all options to acquire Shares and OPP Units that were granted to them in 2008. These surrendered options and units, despite not resulting in any actual cash compensation to any of our senior executives, or any cash compensation cost to the Company, appear as compensation for 2008 in our summary compensation table.

Other Compensation Policies and Practices

Equity Grant Practices

Currently, all of our equity-based compensation awards are made under our 2010 Omnibus Share Plan which our shareholders approved in 2010 (the "2010 Plan"). At the time of its adoption, the 2010 Plan provided that we were able to issue up to 6,000,000 share equivalents under that Plan with each award of our common shares (or other securities that have the value equivalent to one of our common shares when earned or vested) counting as one share equivalent and each award of an option to acquire our common shares (or other securities that by their terms require the payment of an exercise price or deduction of a strike price) counting as one-half of a share equivalent. Awards prior to May of 2010 were made under our 2002 Omnibus Share Plan, as amended (the "2002 Plan"), which our shareholders approved in 2002 and, as amended, in 2006. The 2002 Plan limited total shares that could have may be issued pursuant to awards under that Plan to 10,000,000 of our common shares. No further awards may be made under the 2002 Plan. Under both the 2002 Plan and the 2010 Plan, the exercise price of each stock option awarded to our senior executives must be (or must have been) no less than the average of the high and low price of our Shares on the New York Stock Exchange on the date granted by the Compensation Committee. The vast majority of our equity awards are determined and granted in the first quarter of each year at the same time as management and the Compensation Committee conclude their evaluation of the performance of our senior executives as a group and each executive individually. In addition and from time to time, additional equity awards may be granted in connection with new hires or promotions. We have never repriced options and our 2010 Plan does not permit repricing of options without shareholder approval.

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Share Ownership Guidelines

As our senior executives generally have significant personal investments in our equity securities, we have not established any policy regarding security ownership by management.

In accordance with Federal securities laws, we prohibit short sales by our executive officers of our equity securities.

Employment, Severance and Change of Control Agreements

We do, from time to time, enter into employment agreements with some of our senior executive officers, which we negotiate on a case-by-case basis in connection with a new employment arrangement or a new agreement governing an existing employment arrangement. Otherwise, our senior executives and other employees serve "at will." Except as may be provided in these employment agreements or pursuant to our compensation plans generally, we have not entered into any separate severance or change of control agreements. For those of our senior executives who have employment agreements, these agreements generally provide for a severance payment (for termination by us without cause or by the executive with good reason (each as defined in the applicable employment agreement and further described below under "Employment Contracts")) and change of control payment (if employment is terminated following a change of control) in the range of one to three times the applicable executive's annual salary and bonus. In addition, the agreements evidencing awards under the Company's omnibus share plans generally provide that equity grants will vest automatically on a change of control. These change of control arrangements are designed to compensate management in the event of a fundamental change in the Company, their employer, and to provide an incentive to these executives to continue with the Company at least through such time. Severance and change of control arrangements do not generally affect other compensation arrangements for a particular period. A more complete description of employment agreements, severance and change of control arrangements pertaining to named executives and officers is set forth under "Employment Contracts" and "Severance and Change of Control Arrangements."

Separation Agreement with Michelle Felman

On December 31, 2010, Ms. Michelle Felman stepped down from her position as Executive Vice President Acquisitions. Ms. Felman had been an executive officer of the Company since September 1, 2000 and during that period of time contributed to the significant growth and increase in shareholder value that we experienced over that period.

As indicated above, our key compensation goals are to attract world-class executive talent; retain our key leaders; reward past performance; provide an incentive for future performance; and align our executives' long-term interests with those of our shareholders. Consistent with these goals, and in light of Ms. Felman's performance over the above-referenced period, management recommended and the Compensation Committee approved, following discussion with Towers Watson, a separation agreement pursuant to which Ms. Felman received a severance payment of \$2.0 million, which represents approximately one times the sum of her 2010 base salary and cash bonus, and that provided for the acceleration of Ms. Felman's unvested option awards and restricted units, which had a Fair Value at the time of approximately \$6.9 million. Although Ms. Felman did not have a formal employment agreement, management considered the terms of other executive agreements with the Company, as well as her past service to Vornado and her agreement to assist in the transition from her position as Executive Vice President Acquisitions. Ms. Felman has also agreed to provide consulting services as well as the aforementioned transition assistance to Vornado until December 31, 2012 (the "Consulting Period") for which she will receive \$1.0 million per year paid monthly over the course of the Consulting Period. Ms. Felman may end the Consulting Period at any time prior to December 31, 2012 for any reason, at which point she will cease accruing any consulting payments. During the Consulting Period, Ms. Felman will be given an office, secretary and standard medical benefits.

Separation of Employment with Sandeep Mathrani

Effective January 14, 2011, Mr. Sandeep Mathrani, formerly our Executive Vice President Retail, resigned his position with the Company to take the position of Chief Executive Officer of General Growth Properties, Inc. For services rendered in 2010, Mr. Mathrani was paid a cash bonus of \$2,000,000. No other payment was made to Mr. Mathrani in connection with his departure.

Tax Deductibility of Compensation

The tax efficiency of compensation is one of many factors that enter into the design of our compensation programs. We look at a combination of the rates at which our executives will be taxed and the value of any deduction that we may be entitled to when developing our approach to compensation. We believe that the limitation of Section 162(m) of the Internal Revenue Code (which limits the corporate tax deduction for certain executive officer compensation that exceeds \$1 million a year) does not apply to most of the compensation we paid to our Covered Executives for 2010 and only a small portion of their compensation may not be deductible due to that limitation.

Risk Considerations in Our Compensation Policies

Our Compensation Committee has discussed the concept of risk as it relates to our compensation policies and the Committee does not believe our compensation policies encourage excessive or inappropriate risk taking for the reasons stated below.

We structure our pay to consist of both fixed and variable compensation. The fixed (or salary) portion of compensation is designed to provide a steady income regardless of our Share price performance so that executives do not feel pressured to focus exclusively on Share price performance to the detriment of other important business metrics.

The variable (cash bonus and equity) portions of compensation are designed to encourage and reward both short- and long-term corporate performance. For short-term performance, our cash bonus is awarded based on assessments of performance during the prior year. For long-term performance, our option, restricted share and other equity awards generally vest over three to five years and are only valuable (in the case of awards such as options) or only increase in value (in the case of awards such as restricted shares) if our Share price increases over time. We believe that these variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce superior short- and long-term corporate results, while the fixed element is also sufficiently high that the executives are not encouraged to take unnecessary or excessive risks in doing so.

Furthermore, in granting compensation we and our Compensation Committee rely upon our judgment about each individual and not on rigid formulas or short-term changes in business performance in determining the amount and mix of compensation elements. We and our Compensation Committee believe that this non-formulaic evaluation of historic performance and determination of compensation provides an incentive for our executives to produce superior performance without the distorting effects of providing a pre-determinable compensation award based on the performance of only one division or business unit or upon other results that may not reflect the long- or short-term results of the Company as a whole.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Trustees of Vornado Realty Trust, a Maryland real estate investment trust (the "Company") has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K of the Securities and Exchange Commission with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement and incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

The Compensation Committee of the
Board of Trustees:
MICHAEL LYNNE
RONALD G. TARGAN
DR. RICHARD R. WEST

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EXECUTIVE COMPENSATION

The following table sets forth (in accordance with the reporting requirements of the SEC) the compensation of each of the Company's Chief Executive Officer, Chief Financial Officer and the three other most highly-compensated executive officers for 2010, 2009 and 2008 (the "Covered Executives" or "Named Executive Officers"). In the first quarter of 2009 each of our nine most senior executive officers at the time voluntarily surrendered all grants to them during 2007 and 2008 of options and of 2008 OPP Units (without any consideration or agreement for consideration in the future). The table sets forth values for all equity securities awarded as of the date of grant notwithstanding any surrender and termination without consideration.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Cash Bonus (\$)(1)	Restricted	Option	Non- Equity Incentive Plan Compen- sation (\$)	Changes in Pension Value and Non-qualified Deferred Compensation (\$)(3)	All Other Compen- sation (\$)(4)	Total (\$)
				Share/Unit Awards (\$)(2)	Awards (\$)(2)				
Steven Roth Chairman	2010	1,000,000	5,700	5,157,315	3,500,370			268,550	9,931,935
	2009	1,000,000		2,370,676	1,592,520			241,390	5,204,586
	2008	1,000,000	3,800	5,566,640	4,502,610		134,015	274,484	11,481,549
Michael D. Fascitelli President and Chief Executive Officer (Principal Executive Officer)	2010	1,000,000	5,700	5,157,315	3,500,370			277,570	9,940,955
	2009	1,000,000		2,370,676	1,592,520			268,318	5,231,514
	2008	1,000,000	3,800	5,566,640	4,502,610		2,694	262,575	11,338,319
Joseph Macnow Executive Vice President Finance and Administration and Chief Financial Officer (Principal Financial Officer)	2010	1,000,000	505,700	2,343,986	1,501,608			284,261	5,635,555
	2009	1,000,000	500,000	574,731	212,336			313,982	2,601,049
	2008	1,000,000	403,800	1,774,378	643,230		61,817	311,203	4,194,428
Michelle Felman Executive Vice President	2010	1,000,000	1,005,700	2,343,986	4,076,804			2,031,794	10,458,284
	2009	1,000,000	500,000	574,731	212,336			30,980	2,318,047
	2008	1,000,000	403,800	1,959,986	965,000			31,663	4,360,449

Acquisitions (until 12/31/10)(5)								
Sandeep Mathrani	2010	1,000,000	2,000,000	2,813,600	2,000,453		26,320	7,840,373
Executive								
Vice President	2009	1,000,000	750,000	668,734	212,336		45,299	2,676,369
Retail Division	2008	1,000,000	503,800	1,561,439	643,230		55,961	3,764,430
(until 1/14/11)								

(1)

The information provided includes cash bonuses for services that are rendered in the year indicated and are awarded in the first quarter of the next succeeding year.

(2)

Information presented in this column reflects the aggregate grant date fair value of stock awards and option awards granted in the applicable fiscal year computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in footnote 13 to our consolidated financial statements included in our Annual Report on Form 10-K (the "Form 10-K") for the applicable fiscal year as filed with the SEC. Pursuant to the rules and regulations of the SEC, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Dividends are paid on both the vested and unvested portion of restricted share and restricted unit awards. Amounts shown for 2008 differ from the amounts presented in our 2009 proxy statement due to a change in the SEC rules regarding

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valuation of equity awards in summary compensation tables. In accordance with applicable SEC rules, amounts shown include the impact of bonuses paid in equity in the year actually granted. For the Named Executive Officers, the Restricted Share/Unit Awards set forth above reflect the grant of equity-based bonuses in lieu of cash for 2010, 2009 and 2008, respectively, in the following amounts: Mr. Roth \$940,000, \$940,000 and \$1,087,000; Mr. Fascitelli \$940,000, \$940,000 and \$1,087,000; Mr. Macnow \$470,000, \$376,000 and \$580,000; Ms. Felman \$470,000, \$376,000 and \$616,000; and Mr. Mathrani \$470,000, \$470,000 and \$217,000.

- (3) Included in this column is the actuarial increase (or decrease) in the present value of the applicable executive's benefits under the Vornado Realty Trust Retirement Plan, a defined benefit pension plan (which was frozen in 1997 and terminated in 2008). The change in value was determined using interest and mortality rate assumptions consistent with those used in our financial statements. There were no earnings on amounts in the Vornado Realty Trust Nonqualified Deferred Compensation Plans which were determined to be above-market or preferential, as defined in the rules and regulations of the SEC.
- (4) See the All Other Compensation table for additional information.
- (5) The rules and regulations of the SEC require that amounts set forth for Ms. Felman for Option Awards and Total reflect the impact of the acceleration of then unvested option awards upon her separation from the Company at December 31, 2010 in addition to awards granted in 2010 even though most of the awards were granted in prior years. Absent the impact of the acceleration of option awards, the amounts shown for 2010 for Option Awards and Total would have been \$1,501,608 and \$7,883,088, respectively.

All Other Compensation Table

The following table describes each component of the All Other Compensation column in the Summary Compensation Table.

Name	Year	Use of Car and Driver (\$)(1)	Supplemental Life Insurance Premiums (\$)	Reimbursement For Medical / Dental Not Covered (\$)	Severance (\$)	Tax and Financial Planning Assistance Per Employment Contract (\$)	Total (\$)
Steven Roth	2010	221,984	46,566				268,550
	2009	193,394	47,996				241,390
	2008	227,148	47,336				274,484
Michael D. Fascitelli	2010	241,285	21,285			15,000	277,570
	2009	234,213	19,105			15,000	268,318
	2008	230,420	17,155			15,000	262,575
Joseph Macnow	2010	143,401	125,860			15,000	284,261
	2009	152,018	146,964			15,000	313,982
	2008	147,616	148,587			15,000	311,203
Michelle Felman	2010	27,163	4,631		2,000,000		2,031,794