



January 26, 2007

Dear Shareholder:

For recordholders of the Preferred B-1 Shares (Series B-1 Cumulative Convertible Redeemable) of Winthrop Realty Trust during 2006, the Form 1099, which is being mailed to you under separate cover, will show the amount and type of dividends you received for 2006. The ordinary dividends paid on the shares will be shown in box 1a. The total capital gain dividends paid will be shown in box 2a. The total nontaxable distributions will be shown in box 3. The following table shows the dividends, gains and nontaxable distributions on a per share basis for each quarter.

<u>Date Paid</u>	<u>Ordinary Dividends</u>	<u>Capital Gains</u>	<u>Nontaxable Distributions</u>	<u>Total Dividends Paid</u>
April 28, 2006.....	\$ .275826	\$ .130424	\$ -	\$ .406250
July 31, 2006.....	\$ .275826	\$ .130424	\$ -	\$ .406250
October 31, 2006 .....	\$ .275826	\$ .130424	\$ -	\$ .406250
January 31, 2007.....	\$ .304118	\$ .143801	\$ -	\$ .447920
	<u>\$ 1.131596</u>	<u>\$ .535073</u>	<u>\$ -</u>	<u>\$ 1.666670</u>

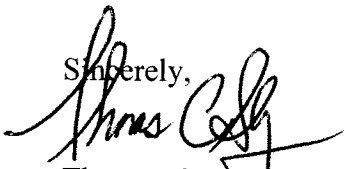
Although the final 2006 dividend will be paid on January 31, 2007, for tax purposes it is considered to be income in 2006 and is included on the 2006 Form 1099.

Please be advised that you may be subject to alternative minimum tax adjustments on the dividends received. The AMT Dividend will be posted on the Winthrop Realty Trust website as soon as it is available. ([www.winthropreit.com](http://www.winthropreit.com))

For corporate shareholders, Winthrop Realty Trust has elected to be taxed as a real estate investment trust; therefore, the dividends do not qualify for the dividend received deduction.

Individual shareholders must reduce their cost basis, but not below zero, in their Preferred B-1 Shares by the amount of the nontaxable distributions. If your cost basis is reduced to zero, report any excess distribution as capital gains on Schedule D (of Form 1040).

If you have any questions regarding the above tax information, please consult your personal tax advisor.

Sincerely,  
  
 Thomas C. Staples  
 Chief Financial Officer