Alexander's, Inc.

NEWS RELEASE

Alexander's Announces Fourth Quarter FFO of $11.98 per share

2/23/2009

PARAMUS, N.J.--(BUSINESS WIRE)-- ALEXANDER'S, INC. (New York Stock Exchange: ALX) today reported:

Quarter Ended December 31, 2008 Results

Net income for the quarter ended December 31, 2008 was $54.1 million, or $10.60 per diluted share, compared to $33.9 million, or $6.66 per diluted share, for the quarter ended December 31, 2007. Funds from operations ("FFO") for the quarter ended December 31, 2008 was $61.2 million, or $11.98 per diluted share, compared to $39.4 million, or $7.74 per diluted share, for the quarter ended December 31, 2007.

Net income and FFO for the quarter ended December 31, 2008 include $43.6 million, or $8.54 per diluted share, for the reversal of a portion of stock appreciation rights ("SARs") compensation expense, compared to $16.1 million, or $3.17 per diluted share, for such reversal in the prior year.

Year Ended December 31, 2008 Results

Net income for the year ended December 31, 2008 was $76.3 million, or $14.96 per diluted share, compared to $114.3 million, or $22.44 per diluted share, for the year ended December 31, 2007. FFO for the year ended December 31, 2008 was $99.9 million, or $19.60 per diluted share, compared to $136.3 million, or $26.75 per diluted share, for the year ended December 31, 2007.

Net income and FFO for the year ended December 31, 2008 include $20.3 million, or $3.97 per diluted share, for the reversal of a portion of SARs compensation expense, compared to $43.5 million, or $8.55 per diluted share, for such reversal in the prior year.

Alexander's, Inc. is a real estate investment trust which has seven properties in the greater New York City metropolitan area.

Certain statements contained herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks associated with the timing of and costs associated with property improvements, financing commitments and general competitive factors.

ALEXANDER'S, INC.

OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED

DECEMBER 31, 2008 AND 2007

Below is a table of selected operating results.

	QUARTER ENDED DECEMBER 31,	
(Amounts in thousands, except share and per share amounts)	2008	2007
Revenues	$ 54,900	$ 52,291
Net income applicable to common stockholders - basic and diluted	$ 54,125	$ 33,930
Net income per common share - basic	$ 10.63	$ 6.73
Net income per common share - diluted	$ 10.60	$ 6.66
Weighted average share and share equivalents outstanding:		
Basic	5,090,188	5,043,950
Diluted	5,104,745	5,094,492

	YEAR ENDED DECEMBER 31,	
(Amounts in thousands, except share and per share amounts)	2008	2007
Revenues	$ 211,097	$ 207,980
Net income applicable to common stockholders - basic and diluted	$ 76,288	$ 114,341
Net income per common share - basic	$ 15.05	$ 22.68
Net income per common share - diluted	$ 14.96	$ 22.44
Weighted average share and share equivalents outstanding:		
Basic	5,067,426	5,041,572
Diluted	5,098,529	5,094,488

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OPERATING RESULTS FOR THE QUARTER AND YEAR ENDED

DECEMBER 31, 2008 AND 2007

The following table reconciles net income to FFO:

	QUARTER ENDED DECEMBER 31,	
(Amounts in thousands)	2008	2007
Net income	$ 54,125	$ 33,930
Depreciation and amortization of real property	7,030	5,483

FFO	$ 61,155	$ 39,413
FFO per common share - diluted	$ 11.98	$ 7.74
Weighted average shares used in computing diluted FFO per share	5,104,745	5,094,492

	YEAR ENDED DECEMBER 31,	
(Amounts in thousands)	2008	2007
Net income	$ 76,288	$ 114,341
Depreciation and amortization of real property	23,628	21,943
FFO	$ 99,916	$ 136,284
FFO per common share - diluted	$ 19.60	$ 26.75
Weighted average shares used in computing diluted FFO per share	5,098,529	5,094,488

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts ("NAREIT"). NAREIT defines FFO as net earnings determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO and FFO per diluted share are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO and FFO per diluted share should be evaluated along with GAAP net earnings and earnings per diluted share (the most directly comparable GAAP measures), as well as cash flow from operating activities, investing activities and financing activities, in evaluating the operating performance of equity REITs. Management believes that FFO and FFO per diluted share are helpful to investors as supplemental performance measures because these measures exclude the

effect of depreciation, amortization and gains or losses from sales of depreciable real estate, all of which are based on historical costs which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, these non-GAAP measures can facilitate comparisons of operating performance between periods and among other equity REITs. FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs as disclosed in the Company's consolidated statements of cash flows. FFO should not be considered as an alternative to net earnings as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity.

Source: Alexander's, Inc.

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