Alexander's, Inc.

NEWS RELEASE

Alexander's, Inc. Operating Results for the Year and Quarter Ended December 31, 2006

2/26/2007

PARAMUS, N.J.--(BUSINESS WIRE)--

ALEXANDER'S, INC. (New York Stock Exchange: ALX) today reported:

Year Ended December 31, 2006 Results

Net loss for the year ended December 31, 2006 was $75.0 million, or $14.92 per diluted share, compared to net income of $82.2 million, or $16.19 per diluted share, for the year ended December 31, 2005. Funds from operations ("FFO") for the year ended December 31, 2006 was a negative $53.2 million, or $10.59 per diluted share, compared to a positive $102.0 million, or $20.09 per diluted share, for the year ended December 31, 2005.

Net loss and negative FFO for the year ended December 31, 2006 include, $148.6 million, for an accrual of stock appreciation rights ("SARs") compensation expense, partially offset by, $13.3 million for an after-tax net gain from the sale of residential condominium units at 731 Lexington Avenue. These items, in the aggregate, decreased net income and FFO by $135.3 million, or $26.92 per diluted share. Net income and FFO for the year ended December 31, 2005 include, $60.9 million for an after-tax net gain from the sale of residential condominium units at 731 Lexington Avenue and $2.1 million of income from the settlement of claims against third parties for environmental remediation at Kings Plaza, partially offset by, $27.6 million for an accrual of SARs compensation expense. These items, in the aggregate, increased net income and FFO by $35.4 million, or $6.98 per diluted share.

Quarter Ended December 31, 2006 Results

Net loss for the quarter ended December 31, 2006 was $74.4 million, or $14.79 per diluted share, compared to net

income of $40.3 million, or $7.93 per diluted share, for the quarter ended December 31, 2005. FFO for the quarter ended December 31, 2006 was a negative $68.9 million, or $13.70 per diluted share, compared to a positive $45.5 million, or $8.96 per diluted share, for the quarter ended December 31, 2005.

Net loss and negative FFO for the quarter ended December 31, 2006 include, $93.0 million, or $18.49 per diluted share, for an accrual of SARs compensation expense. Net income and FFO for the quarter ended December 31, 2005 include, $19.2 million for the reversal of a portion of the SARs compensation expense accrual, $6.4 million for an after-tax net gain from the sale of residential condominium units at 731 Lexington Avenue and $1.7 million of income from the settlement of claims against third parties for environmental remediation at Kings Plaza. These items, in the aggregate, increased net income and FFO by $27.3 million, or $5.38 per diluted share.

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 YEAR AND QUARTER ENDED

DECEMBER 31, 2006 AND 2005

Below is a table of selected operating results.

(Amounts in thousands, except share and per share amounts)	YEAR ENDED DECEMBER 31, 2006	2005
Revenues	$ 198,772	$ 187,085

(Loss) Income from continuing operations	$ (88,239)	$ 21,298
Net gain on sale of condominiums, net of income taxes	13,256	60,943
Net (loss) income	$ (74,983)	$ 82,241
Net (loss) income per common share - basic:		
(Loss) income from continuing operations	$ (17.56)	$ 4.24
Net gain on sale of condominiums, net of income taxes	2.64	12.14
Net (loss) income per common share - basic	$ (14.92)	$ 16.38
Net (loss) income per common share - diluted:		
(Loss) income from continuing operations	$ (17.56)	$ 4.19
Net gain on sale of condominiums, net of income taxes	2.64	12.00
Net (loss) income per common share - diluted	$ (14.92)	$ 16.19
Weighted average share and share equivalents outstanding:		
Basic	5,025,726	5,021,350
Diluted	5,025,726	5,080,171
(Negative FFO) FFO	$ (53,242)	$ 102,037
(Negative FFO) FFO per diluted share	$ (10.59)	$ 20.09
Weighted average shares used in computing diluted FFO per share	5,025,726	5,080,171

	QUARTER ENDED DECEMBER 31,	
(Amounts in thousands, except share and per		

share amounts)	2006	2005
Revenues	$ 50,226	$ 50,286
(Loss) Income from continuing operations	$ (74,361)	$ 33,887
Net gain on sale of condominiums, net of income taxes	--	6,426
Net (loss) income	$ (74,361)	$ 40,313
Net (loss) income per common share - basic:		
(Loss) income from continuing operations	$ (14.79)	$ 6.74
Net gain on sale of condominiums, net of income taxes	--	1.28
Net (loss) income per common share - basic	$ (14.79)	$ 8.02
Net (loss) income per common share - diluted:		
(Loss) income from continuing operations	$ (14.79)	$ 6.67
Net gain on sale of condominiums, net of income taxes	--	1.26
Net (loss) income per common share - diluted	$ (14.79)	$ 7.93
Weighted average share and share equivalents outstanding:		
Basic	5,027,912	5,024,000
Diluted	5,027,912	5,082,870
(Negative FFO) FFO	$ (68,890)	$ 45,551
(Negative FFO) FFO per diluted share	$ (13.70)	$ 8.96
Weighted average shares used in computing		

diluted FFO per share	5,027,912	5,082,870

The following table reconciles net (loss) income to (Negative FFO) FFO:

	YEAR ENDED DECEMBER 31,	
(Amounts in thousands)	2006	2005
Net (loss) income	$(74,983)	$ 82,241
Depreciation and amortization of real property	21,741	19,796
(Negative FFO) FFO	$(53,242)	$102,037

	QUARTER ENDED DECEMBER 31,	
(Amounts in thousands)	2006	2005
Net (loss) income	$(74,361)	$40,313
Depreciation and amortization of real property	5,471	5,238
(Negative FFO) FFO	$(68,890)	$45,551

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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