Alexander's, Inc.

NEWS RELEASE

Alexander's, Inc. Reports Fourth Quarter and Year End Results

2/25/2005

PARAMUS, N.J.--(BUSINESS WIRE)--Feb. 25, 2005--ALEXANDER'S, INC. (New York Stock Exchange: ALX) today reported a net loss for the year ended December 31, 2004 of $33,469,000, or $6.68 per diluted share, versus a net loss of $17,742,000, or $3.55 per diluted share, for the year ended December 31, 2003. Funds from operations ("FFO") for the year ended December 31, 2004 was a negative $18,014,000, or $3.60 per diluted share, compared to a negative $10,245,000, or $2.05 per diluted share, for the year ended December 31, 2003.

Net loss for the quarter ended December 31, 2004 was $1,307,000, or $0.26 per diluted share, versus a net loss of $4,590,000, or $0.92 per diluted share, for the quarter ended December 31, 2003. FFO for the quarter ended December 31, 2004 was a positive $2,955,000, or $0.59 per diluted share, compared to a negative $2,139,000, or $0.43 per diluted share, for the quarter ended December 31, 2003.

Net loss and negative FFO for the year ended December 31, 2004 include (i) an accrual for stock appreciation rights ("SARs") compensation expense of $76,789,000, or $15.33 per diluted share, (ii) a $3,050,000, or $0.61 per diluted share, write-off of deferred debt expense in connection with the reduction of the principal amount of a construction loan, and (iii) a gain on the sale of non-depreciable real estate of $3,862,000, or $0.77 per diluted share. Net loss and negative FFO for the year ended December 31, 2003 include (i) an accrual for SARs compensation expense of $44,917,000, or $8.98 per diluted share, (ii) $1,289,000, or $0.26 per diluted share, resulting from the forfeiture by the prospective purchaser of the Flushing property of a non-refundable deposit and (iii) $1,206,000, or $0.24 per diluted share, representing the reversal of previously accrued contingent liabilities.

Net loss and positive FFO for the quarter ended December 31, 2004 include an accrual for SARs compensation expense of $13,515,000, or $2.70 per diluted share. Net loss and negative FFO for the quarter ended December 31,

2003 include (i) an accrual for SARs compensation expense of $16,286,000, or $3.26 per diluted share, and (ii) $1,206,000, or $0.24 per diluted share, representing the reversal of previously accrued contingent liabilities.

Alexander's, Inc. is a real estate investment trust which has six 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.

(table follows)

ALEXANDER'S, INC.

OPERATING RESULTS FOR THE YEAR AND THREE MONTHS ENDED
DECEMBER 31, 2004 AND 2003

(amounts in thousands, except share and per share amounts)	FOR THE YEAR ENDED December 31, 2004	December 31, 2003
Revenues	$ 148,895	$ 87,162
Loss from continuing operations	$ (37,331)	$ (18,948)
Gain on sale of real estate	3,862	--
Income from discontinued operations	--	1,206
Net loss	$ (33,469)	$ (17,742)
FFO	$ (18,014)	$ (10,245)
Loss per common share - basic and diluted:		
Loss from continuing operations	$ (7.45)	$ (3.79)

Gain on sale of real estate	0.77	--
Income from discontinued operations	--	0.24
Net loss per common share	$ (6.68)	$ (3.55)
FFO per common share	$ (3.60)	$ (2.05)
Average number of share and share equivalents outstanding	5,008,222	5,000,850

(amounts in thousands, except share and per share amounts)	FOR THE THREE MONTHS ENDED December 31, 2004	December 31, 2003
Revenues	$ 41,496	$ 27,381
Loss from continuing operations	$ (1,307)	$ (5,796)
Income from discontinued operations	--	1,206
Net loss	$ (1,307)	$ (4,590)
FFO	$ 2,955	$ (2,139)
Loss per common share - basic and diluted:		
Loss from continuing operations	$ (0.26)	$ (1.16)
Income from discontinued operations	--	0.24
Net loss per common share	$ (0.26)	$ (0.92)
FFO per common share	$ 0.59	$ (0.43)
Average number of share and share equivalents outstanding	5,012,872	5,000,850

The following tables reconcile net loss to FFO:

(amounts in thousands, except per share amounts)	FOR THE YEAR ENDED	
	December 31, 2004	December 31, 2003
Net loss	$ (33,469)(1)	$ (17,742)(1)
Depreciation and amortization of real property	15,455	7,497
FFO	$ (18,014)(1)	$ (10,245)(1)

(amounts in thousands, except per share amounts)	FOR THE THREE MONTHS ENDED	
	December 31, 2004	December 31, 2003
Net loss	$ (1,307)(2)	$ (4,590)(2)
Depreciation and amortization of real property	4,262	2,451
FFO	$ 2,955(2)	$ (2,139)(2)

(1) Net loss and negative FFO for the year ended December 31, 2004 include (i) an accrual for SARs compensation expense of $76,789,000, or $15.33 per diluted share, (ii) a $3,050,000, or $0.61 per diluted share, write-off of deferred debt expense in connection with the reduction of the principal amount of a construction loan, and (iii) a gain on the sale of non-depreciable real estate of $3,862,000, or $0.77 per diluted share. Net loss and negative FFO for the year ended December 31, 2003 include (i) an accrual for SARs compensation expense of $44,917,000, or $8.98 per diluted share, (ii) $1,289,000, or $0.26 per diluted share, resulting from the forfeiture by the prospective purchaser of the Flushing property of a non-refundable deposit and (iii) $1,206,000, or $0.24 per diluted share, representing the reversal of previously accrued contingent liabilities.

(2) Net loss and positive FFO for the quarter ended December 31, 2004 include an accrual for SARs compensation expense of $13,515,000, or $2.70 per diluted share. Net loss and negative FFO

for the quarter ended December 31, 2003 include (i) an accrual for SARs compensation expense of $16,286,000, or $3.26 per diluted share, and (ii) $1,206,000, or $0.24 per diluted share, representing the reversal of previously accrued contingent liabilities.

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. In addition to FFO, the Company also discloses FFO before certain items that affect comparability. Although this non-GAAP measure clearly differs from NAREIT's definition of FFO, the Company believes it provides a meaningful presentation of operating performance. A reconciliation of net earnings to FFO is provided above.

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SOURCE: ALEXANDER'S, INC.