Alexander's, Inc.

NEWS RELEASE

Alexander's, Inc. Reports Results

5/1/2006

PARAMUS, N.J.--(BUSINESS WIRE)--May 1, 2006--ALEXANDER'S, INC. (NYSE: ALX) today reported:

Quarter Ended March 31, 2006 Results

Net loss for the quarter ended March 31, 2006 was $18.9 million, or $3.75 per diluted share, compared to net income of $31.2 million, or $6.15 per diluted share, for the quarter ended March 31, 2005. Negative funds from operations ("FFO") for the quarter ended March 31, 2006 was $13.6 million, or $2.70 per diluted share, compared to FFO of $35.8 million, or $7.06 per diluted share, for the quarter ended March 31, 2005.

Net loss and negative FFO for the quarter ended March 31, 2006 include, $37.5 million for an accrual of stock appreciation rights ("SARs") compensation expense, partially offset by, $5.0 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 $32.5 million, or $6.48 per diluted share. Net income and FFO for the quarter ended March 31, 2005 include, $40.0 million for an after-tax net gain from the sale of residential condominium units at 731 Lexington Avenue, partially offset by, $22.5 million for an accrual of SARs compensation expense. These items, in the aggregate, increased net income and FFO by $17.5 million, or $3.44 per diluted share.

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.

ALEXANDER'S, INC.

OPERATING RESULTS FOR THE QUARTER ENDED
MARCH 31, 2006 AND 2005

Below is a table of selected operating results.

(Amounts in thousands, except share and per share amounts)	FOR THE QUARTER ENDED March 31, 2006	March 31, 2005
Revenues	$ 48,376	$ 43,676
Loss from continuing operations	$ (23,865)	$ (8,757)
Net gain on sale of condominiums, net of income taxes	5,008	39,975
Net (loss) income	$ (18,857)	$ 31,218
(Negative FFO) FFO	$ (13,582)	$ 35,849
Net (loss) income per common share - basic:		
Loss from continuing operations	$ (4.75)	$ (1.75)
Net gain on sale of condominiums, net of income taxes	1.00	7.97
Net (loss) income per common share - basic	$ (3.75)	$ 6.22
Net (loss) income per common share - diluted:		
Loss from continuing operations	$ (4.75)	$ (1.73)
Net gain on sale of condominiums, net of income taxes	1.00	7.88

Net (loss) income per common share - diluted	$ (3.75)	$ 6.15
(Negative FFO) FFO per common share - diluted	$ (2.70)	$ 7.06
Weighted average share and share equivalents outstanding:		
Basic	5,024,967	5,015,827
Diluted	5,024,967	5,075,465

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

(Amounts in thousands)	FOR THE QUARTER ENDED	
	March 31, 2006	March 31, 2005
Net (loss) income	$(18,857)	$31,218
Depreciation and amortization of real property	5,275	4,631
(Negative FFO) FFO	$(13,582)	$35,849

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.

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SOURCE: Alexander's, Inc.