Alexander's, Inc.

NEWS RELEASE

Alexander's, Inc. Reports Results

2/27/2006

PARAMUS, N.J.--(BUSINESS WIRE)--Feb. 27, 2006--Alexander's, Inc. (NYSE:ALX) today reported:

Year Ended December 31, 2005 Results

Net income for the year ended December 31, 2005 was $82.2 million, or $16.19 per diluted share, compared to a net loss of $33.5 million, or $6.68 per diluted share, for the year ended December 31, 2004. Funds from operations ("FFO") for the year ended December 31, 2005 was $102.0 million, or $20.09 per diluted share, compared to negative FFO of $18.0 million, or $3.60 per diluted share, for the year ended December 31, 2004.

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

Net loss and negative FFO for the year ended December 31, 2004 include (i) $76.8 million for an accrual of SARs compensation expense, (ii) $3.0 million for the write-off of the proportionate share of unamortized debt issuance costs in connection with the reduction of the principal amount of a construction loan, partially offset by, (iii) $3.9 million for a net gain on sale of non-depreciable real estate. These items, in the aggregate, decreased net income and FFO by $75.9 million, or $15.17 per diluted share.

Quarter Ended December 31, 2005 Results

Net income for the quarter ended December 31, 2005 was $40.3 million, or $7.93 per diluted share, compared to a

net loss of $1.3 million, or $0.26 per diluted share, for the quarter ended December 31, 2004. FFO for the quarter ended December 31, 2005 was $45.5 million, or $8.96 per diluted share, compared to $2.9 million, or $0.59 per diluted share, for the quarter ended December 31, 2004.

Net income and FFO for the quarter ended December 31, 2005 include (i) $19.2 million for the reversal of a portion of the current year accrual for SARs compensation expense, (ii) $6.4 million for an after-tax net gain from the sale of residential condominium units at 731 Lexington Avenue and (iii) $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.

Net loss and FFO for the quarter ended December 31, 2004 include $13.5 million or $2.70 per share for an accrual of SARs compensation expense.

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 YEAR AND QUARTER ENDED
DECEMBER 31, 2005 AND 2004

Below is a table of selected operating results.

(Amounts in thousands, except share and per share amounts)	FOR THE YEAR ENDED December 31, 2005	December 31, 2004
Revenues	$ 187,085	$ 148,895

Income (loss) from continuing operations	$ 21,298	$ (37,331)
Net gain on sale of condominiums in 2005 and other real estate in 2004, after income taxes	60,943	3,862
Net income (loss)	$ 82,241	$ (33,469)
FFO (negative FFO)	$ 102,037	$ (18,014)
Net income (loss) per common share - basic:		
Income (loss) from continuing operations	$ 4.24	$ (7.45)
Net gain on sale of condominiums in 2005 and other real estate in 2004, after income taxes	12.14	0.77
Net income (loss) per common share - basic	$ 16.38	$ (6.68)
Net income (loss) common share - diluted:		
Income (loss) from continuing operations	$ 4.19	$ (7.45)
Net gain on sale of condominiums in 2005 and other real estate in 2004, after income taxes	12.00	0.77
Net income (loss) per common share - diluted	$ 16.19	$ (6.68)
FFO (negative FFO) per common share - diluted	$ 20.09	$ (3.60)
Weighted average share and share equivalents outstanding:		
Basic	5,021,350	5,008,222
Diluted	5,080,171	5,008,222

FOR THE QUARTER ENDED

(Amounts in thousands, except share and per share amounts)	December 31, 2005	December 31, 2004
Revenues	$ 50,286	$ 41,496
Income (loss) from continuing operations	$ 33,887	$ (1,307)
Net gain on sale of condominiums, after income taxes	6,426	--
Net income (loss)	$ 40,313	$ (1,307)
FFO	$ 45,551	$ 2,955
Net income (loss) per common share - basic:		
Income (loss) from continuing operations	$ 6.74	$ (0.26)
Net gain on sale of condominiums, after income taxes	1.28	--
Net income (loss) per common share - basic	$ 8.02	$ (0.26)
Net income (loss) per common share - diluted:		
Income (loss) from continuing operations	$ 6.67	$ (0.26)
Net gain on sale of condominiums, after income taxes	1.26	--
Net income (loss) per common share - diluted	$ 7.93	$ (0.26)
FFO per common share - diluted	$ 8.96	$ 0.59
Weighted average share and share equivalents outstanding:		
Basic	5,024,000	5,012,872
Diluted	5,082,870	5,012,872

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The following tables reconcile net income (loss) to FFO (negative FFO):

(Amounts in thousands)	FOR THE YEAR ENDED	
	December 31, 2005	December 31, 2004
Net income (loss)	$ 82,241	$ (33,469)
Depreciation and amortization of real property	19,796	15,455
FFO (negative FFO)	$102,037	$ (18,014)

(Amounts in thousands)	FOR THE QUARTER ENDED	
	December 31, 2005	December 31, 2004
Net income (loss)	$ 40,313	$ (1,307)
Depreciation and amortization of real property	5,238	4,262
FFO	$ 45,551	$ 2,955

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.