Alexander's, Inc.

NEWS RELEASE

Alexander's Reports Second Quarter Results

7/28/2005

PARAMUS, N.J.--(BUSINESS WIRE)--July 28, 2005--ALEXANDER'S, INC. (New York Stock Exchange: ALX) today reported net income for the quarter ended June 30, 2005 was $17,464,000, or $3.44 per diluted share, compared to $2,523,000, or $0.50 per diluted share, for the quarter ended June 30, 2004. Funds from operations ("FFO") for the quarter ended June 30, 2005 was $22,416,000, or $4.41 per diluted share, compared to $6,401,000, or $1.26 per diluted share, for the quarter ended June 30, 2004.

Net income for the six months ended June 30, 2005 was $48,682,000, or $9.59 per diluted share, compared to a net loss of $20,469,000, or $4.09 per diluted share, for the six months ended June 30, 2004. FFO for the six months ended June 30, 2005 was a positive $58,265,000, or $11.48 per diluted share, compared to a negative $13,061,000, or $2.61 per diluted share, for the six months ended June 30, 2004.

Net income and FFO for the quarter ended June 30, 2005 includes (i) an after-tax gain of $13,170,000 or $2.59 per diluted share, from the sale of residential condominium units at 731 Lexington Avenue and (ii) an accrual for stock appreciation rights ("SARs") compensation expense of $6,163,000 or $1.21 per diluted share. Net income and FFO for the quarter ended June 30, 2004 includes an accrual for SARs compensation expense of $6,579,000, or $1.30 per diluted share. Net income and positive FFO for the six months ended June 30, 2005 includes (i) an after-tax gain of $53,145,000 or $10.47 per diluted share, from the sale of residential condominium units at 731 Lexington Avenue and (ii) an accrual for SARs compensation expense of $28,688,000 or $5.65 per diluted share. Net loss and negative FFO for the six months ended June 30, 2004 includes (i) an accrual for SARs compensation expense of $36,618,000, or $7.32 per diluted share, and (ii) the $3,050,000, or $0.61 per diluted share, write off of the proportionate share of unamortized deferred debt expense in connection with the reduction of the principal amount of the construction loan for the Company's 731 Lexington Avenue project.

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.

Below is a table of selected operating results.

(amounts in thousands, except per share amounts)	FOR THE THREE MONTHS ENDED June 30, 2005	June 30, 2004
Revenues	$45,735	$34,799
Income from continuing operations	$4,294	$2,523
Net gain on sale of condominiums	13,170	--
Net income	$17,464	$2,523
FFO	$22,416	$6,401
Net income per common share - basic:		
Income from continuing operations	$0.86	$0.50
Net gain on sale of condominiums	2.62	--
Net income per common share - basic	$3.48	$0.50
Net income per common share - diluted:		
Income from continuing operations	$0.85	$0.50
Net gain on sale of condominiums	2.59	--
Net income per common share - diluted	$3.44	$0.50

FFO per common share - diluted.....	$4.41	$1.26
Weighted average share and share equivalents outstanding:		
Basic.....5,021,899	5,007,141	
Diluted.....5,081,113	5,060,910	

(amounts in thousands, except per share amounts)	FOR THE SIX MONTHS ENDED June 30, 2005	June 30, 2004
Revenues.....	$89,411	$68,564
Loss from continuing operations.....	$(4,463)	$(20,469)
Net gain on sale of condominiums.....	53,145	--
Net income (loss).....	$48,682	$(20,469)
FFO.....	$58,265	$(13,061)
Net income (loss) per common share - basic:		
Loss from continuing operations.....	$(0.89)	$(4.09)
Net gain on sale of condominiums.....	10.59	--
Net income (loss) per common share - basic.....	$9.70	$(4.09)
Net income (loss) per common share - diluted:		
Loss from continuing operations.....	$(0.88)	$(4.09)
Net gain on sale of condominiums.....	10.47	--
Net income (loss) per common share - diluted.....	$9.59	$(4.09)
FFO per common share - diluted.....	$11.48	$(2.61)

Weighted average share and share equivalents outstanding:	
Basic	5,018,880 5,004,655
Diluted	5,077,344 5,004,655

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

(amounts in thousands, except per share amounts)	FOR THE THREE MONTHS ENDED	
	June 30, 2005	June 30, 2004
Net income	$17,464 (1)	$2,523 (2)
Depreciation and amortization of real property	4,952	3,878
FFO	$22,416 (1)	$6,401 (2)

(amounts in thousands, except per share amounts)	FOR THE SIX MONTHS ENDED	
	June 30, 2005	June 30, 2004
Net income (loss)	$48,682 (3)	$(20,469)(4)
Depreciation and amortization of real property	9,583	7,408
FFO	$58,265 (3)	$(13,061)(4)

(1) Net income and FFO for the quarter ended June 30, 2005 includes an after-tax gain of $13,170,000 or $2.59 per diluted share, from the sale of residential condominium units at 731 Lexington Avenue and $6,163,000 or $1.21 per diluted share for an accrual of SARs compensation expense.

(2) Net income and FFO for the quarter ended June 30, 2004 includes an

accrual for SARs compensation expense of $6,579,000, or $1.30 per diluted share.

(3) Net income and FFO for the six months ended June 30, 2005 includes and after-tax gain of $53,145,000 or $10.47 per diluted share, from the sale of residential condominium units at 731 Lexington Avenue and $28,688,000 or $5.65 per diluted share for an accrual for SARs compensation expense.

(4) Net loss and negative FFO for the six months ended June 30, 2004 includes (i) an accrual for SARs compensation expense of $36,618,000, or $7.32 per diluted share, and (ii) the $3,050,000, or $0.61 per diluted share, write off of the proportionate share of unamortized deferred debt expense in connection with the reduction of the principal amount of the construction loan for the Company's 731 Lexington Avenue project.

FFO does not represent cash generated from operating activities in accordance with accounting principles generally accepted in the United States of America and is not necessarily indicative of cash available to fund cash needs, which is disclosed in the consolidated statements of cash flows. There are no material legal or functional restrictions on the use of FFO. FFO should not be considered as an alternative to net income (loss) as an indicator of the Company's operating performance. Management considers FFO a relevant supplemental measure of operating performance because it provides a basis for comparison among real estate investments trusts. FFO is computed in accordance with the National Association of Real Estate Investment Trust's ("NAREIT") standards, which may not be comparable to FFO reported by other real estate investment trusts that do not define the term in accordance with NAREIT's definition or that interpret NAREIT's definition differently.

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SOURCE: Alexander's, Inc.