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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[XX] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: MARCH 31, 1998

or

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________________ to ___________________

Commission File Number: 1-6064

ALEXANDER'S, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	51-0100517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
PARK 80 WEST, PLAZA II, SADDLE BROOK, NEW JERSEY	07663
(Address of principal executive offices)	(Zip Code)

(201)587-8541
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

[ ] Yes [ ] No

As of May 1, 1998 there were 5,000,850 common shares outstanding.

ALEXANDER'S, INC.

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PART I. FINANCIAL INFORMATION

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT SHARE AMOUNTS)

	MARCH 31, 1998	DECEMBER 31, 1997
ASSETS:		
Real estate, at cost:		
Land	$ 45,571	$ 45,571
Buildings, leaseholds and improvements	123,612	123,612
Capitalized expenses and predevelopment costs	50,767	47,163
Total	219,950	216,346
Less accumulated depreciation and amortization	(35,862)	(35,224)
	184,088	181,122
Investment in unconsolidated joint venture	10,708	10,611
Real estate, net	194,796	191,733
Cash and cash equivalents	2,700	2,691
Restricted cash	8,209	1,872
Receivable arising from condemnation proceedings	--	14,700
Accounts receivable, net of allowance for doubtful accounts of $147 in each period	475	1,064
Receivable arising from the straight-lining of rents, net	8,703	7,805
Deferred lease and other expenses	12,672	12,443
Deferred debt expense	632	783
Other assets	3,912	1,983
TOTAL ASSETS	$ 232,099	$ 235,074
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Debt	$ 204,359	$ 208,087
Amounts due to Vornado Realty Trust and its affiliate	6,686	6,888
Accounts payable and accrued liabilities	4,265	4,174
Other liabilities from discontinued operations	2,238	2,296
Minority interest	600	600
TOTAL LIABILITIES	218,148	222,045
Commitments and contingencies		
Stockholders' Equity:		
Common stock; $1.00 par value per share; authorized 10,000,000 shares; issued 5,173,450	5,174	5,174
Additional capital	24,843	24,843
Deficit	(15,106)	(16,028)
	14,911	13,989
Less treasury shares, 172,600 shares at cost	(960)	(960)
Total stockholders' equity	13,951	13,029

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 232,099	$ 235,074
	=========	=========

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands except share amounts)

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	FOR THE THREE MONTHS ENDED MARCH 31, 1997
Revenues:		
Property rentals	$ 5,631	$ 4,220
Expense reimbursements	998	491
Equity in income of unconsolidated joint venture	1,378	1,287
Total revenues	8,007	5,998
Expenses:		
Operating (including management fee to Vornado of $210 in 1998 and 1997)	2,020	1,612
General and administrative (including management fee to Vornado of $540 in 1998 and 1997)	866	981
Depreciation and amortization	798	571
Total expenses	3,684	3,164
Operating income	4,323	2,834
Interest and debt expense (including interest on loan from Vornado)	(3,665)	(3,294)
Interest and other income, net	264	252
Net income (loss)	$ 922	$ (208)
Net income (loss) per share (basic and diluted)	$ .18	$ (.04)

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	MARCH 31, 1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 922	$ (208)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization (including debt issuance costs)	1,169	1,057
Straight-lining of rental income	(898)	(512)
Change in assets and liabilities:		
Accounts receivable	589	(64)
Note receivable	14,700	--
(Investment) distributions in excess of equity in income of unconsolidated joint venture	(98)	1,063
Amounts due to Vornado Realty Trust and its affiliate	(527)	(542)
Accounts payable and accrued liabilities	92	527
Other liabilities from discontinued operations	(58)	(249)
Other	(1,994)	(1,552)
Net cash provided by (used in) operating activities	13,897	(480)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to real estate	(3,603)	(4,398)
Cash restricted for construction and development	(6,326)	2
Cash restricted for operating liabilities	(11)	579
Net cash (used in) investing activities	(9,940)	(3,817)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of debt	--	16,667
Debt repayments	(3,729)	(329)
Deferred debt expense	(219)	(167)
Net cash (used in) provided by financing activities	(3,948)	16,171
Net increase in cash and cash equivalents	9	11,874
Cash and cash equivalents at beginning of period	2,691	5,480
Cash and cash equivalents at end of period	$ 2,700	$ 17,354
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (including capitalized interest of $1,765 and $2,254)	$ 5,060	$ 5,063

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet as of March 31, 1998, the consolidated statements of operations for the three months ended March 31, 1998, and the consolidated statements of cash flows for the three months ended March 31, 1998 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1997 Annual Report to Shareholders. The results of operations for the three months ended March 31, 1998 are not necessarily indicative of the operating results for the full year.

2. RELATIONSHIP WITH VORNADO REALTY TRUST ("Vornado")

Vornado owns 29.3% of the Company's Common Stock. The Company is managed by and its properties are redeveloped and leased by Vornado, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable. Under these agreements, the Company incurred fees of $1,563,000 in each of the three month periods ended March 31, 1998 and 1997. In addition, Vornado is due $6,078,000 at March 31, 1998 under the leasing agreement, subject to the payment of rents by tenants.

Vornado lent the Company $45,000,000, the subordinated tranche of a $75,000,000 loan, in 1995. The loan, which had a three-year term expiring on March 15, 1998, has been extended for an additional year and the interest rate has been reset from 15.60% per annum to 13.87% per annum. The Company incurred interest on its loan from Vornado of $ 1,718,000 and $1,830,000 in the three months ended March 31, 1998 and 1997, of which $907,000 and $1,216,000 was capitalized.

3. COMMITMENTS AND CONTINGENCIES

Lexington Avenue

The Company is evaluating redevelopment plans for this site, which may involve razing the existing buildings (in which case, the carrying cost of approximately $15,000,000 would be written-off) and developing a large multi-use building requiring capital in excess of $300,000,000 to be expended. No development decisions have been finalized.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Environmental Matters

In June 1997, the Kings Plaza Shopping Center (the "Center"), in which the Company owns a 50% interest, commissioned an Environmental Study and Contamination Assessment Site Investigation (the Phase II "Study") to evaluate and delineate environmental conditions disclosed in a Phase I study. The results of the Study indicate the presence of petroleum and other hydrocarbons in the soil and groundwater. The Study recommends a remedial approach, but agreement has not yet been reached with the New York State Department of Environmental Conservation ("NYDEC") on the finalization of the approach. The Center accrued $1,500,000 at December 31, 1997, for its estimated obligation with respect to the clean up of the site, which includes costs of (i) remedial investigation, (ii) feasibility study, (iii) remedial design, (iv) remedial action and (v) professional fees. If the NYDEC insists on a more extensive remediation approach, the Center could incur additional obligations.

Such contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Center intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Center has not recorded an asset as of March 31, 1998 for potential recoveries of environmental remediation costs from other parties.

Compliance with applicable provisions of federal, state and local laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment have not had, and, although there can be no assurance, are not expected to have, a material effect on the Company's operations, earnings, competitive position or capital expenditures.

4. EARNINGS PER SHARE

The following table set for the computation of basic and diluted earnings per share:

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1998	MARCH 31, 1997
Numerator:		
Net income (loss)	$ 922,000	$ (208,000)
Denominator:		
Denominator for basic earnings per share -- weighted average shares	5,000,850	5,000,850
Effect of dilutive securities:		
Employee stock options	67,335	--
Denominator for diluted earnings per share -- adjusted weighted average shares and assumed conversions	5,068,185	5,000,850
Basic and diluted earnings (loss) per share	$ .18	$ (.04)

ALEXANDER'S, INC.
AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

The Company's revenues, which consist of property rentals, tenant expense reimbursements and equity in income of unconsolidated joint venture were $8,007,000 in the quarter ended March 31, 1998, compared to $5,998,000 in the quarter ended March 31, 1997, an increase of $2,009,000 or 33.5%.

Property rentals were $5,631,000 in the quarter ended March 31, 1998, compared to $4,220,000 in the quarter ended March 31, 1997, an increase of $1,411,000 or 33.4%. This increase resulted primarily from rents from leases commencing subsequent to March 31, 1997 at the Rego Park I and Kings Plaza Store properties of $2,117,000, partially offset by the loss of $965,000 of rent resulting from Caldor's rejection of its Fordham Road lease in June 1997.

Tenant expense reimbursements were $998,000 in the quarter ended March 31, 1998, compared to $491,000 in the quarter ended March 31, 1997, an increase of $507,000. This increase reflects a corresponding increase in operating expenses passed through to tenants as a result of leases commencing subsequent to March 31, 1997 at the Rego Park I property and the commencement of operations at the Kings Plaza Store property.

Equity in income of unconsolidated joint venture (the Kings Plaza Mall) was $1,378,000 in the quarter ended March 31, 1998, compared to $1,287,000 in the quarter ended March 31, 1997, an increase of $91,000 or 7.1%. This increase resulted primarily from an increase in rent from mall tenants.

Operating expenses were $2,020,000 in the quarter ended March 31, 1998, compared to $1,612,000 in the quarter ended March 31, 1997, an increase of $408,000. This increase resulted primarily from real estate taxes which previously had been capitalized, being charged to income due to the commencement of operations at the Kings Plaza Store property.

General and administrative expenses were $866,000 in the quarter ended March 31, 1998, compared to $981,000 in the quarter ended March 31, 1997, a decrease of $115,000. This decrease resulted primarily from lower professional fees.

Depreciation and amortization expense was $798,000 in the quarter ended March 31, 1998, compared to $571,000 in the quarter ended March 31, 1997, an increase of $227,000. This increase resulted primarily from the commencement of operations at the Kings Plaza Store property in October 1997.

Interest and debt expense was $3,665,000 in the quarter ended March 31, 1998, compared to $3,294,000 in the quarter ended March 31, 1997, an increase of $371,000. This increase resulted primarily from interest allocated to the Kings Plaza Store property which previously had been capitalized, being charged to income in 1998.

LIQUIDITY AND CAPITAL RESOURCES

In the aggregate, Alexander's current operating properties (six of its nine properties) do not generate sufficient cash flow to pay all of its expenses. The Company's three non-operating properties (Lexington Avenue, Paramus, and Rego Park II) are in various stages of redevelopment. As rents commence from a portion of the redevelopment properties, the Company expects that cash flow will become positive.

ALEXANDER'S, INC.

AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company estimates that its capital expenditure requirements for redevelopment projects will include: (i) the redevelopment of the Paramus property, at a cost of approximately $90,000,000 to $100,000,000 and (ii) improvements to the Kings Plaza Shopping Center at a cost of approximately $20,000,000. Further, the Company is evaluating redevelopment plans for the Lexington Avenue site, which may involve razing the existing buildings (in which case, the carrying cost of approximately $15,000,000 would be written-off) and developing a large multi-use building requiring capital in excess of $300,000,000 to be expended. While the Company anticipates that financing will be available after tenants have been obtained for these redevelopment projects, there can be no assurance that such financing will be obtained or if obtained, that such financings will be on terms that are acceptable to the Company. In addition, it is uncertain as to when these projects will commence.

Property rentals from Caldor, which filed for relief under Chapter 11 of the United States Bankruptcy Code in September 1995, represented approximately 12% and 22% of the Company's consolidated revenues for the three months ended March 31, 1998 and for the year ended December 31, 1997. Caldor rejected its Fordham Road lease effective June 6, 1997 and accordingly, no longer pays rent. Alexander's has filed a claim for damages based on such rejection. The annual base rental revenue under this lease was $3,537,000. The loss of property rental payments, if any, under the Caldor lease for the Flushing property, could have a material adverse affect on the Company's financial condition and results of operations.

The non-affiliated limited partners of the Seven Thirty One Limited partnership (the "Partnership"), a limited partnership which owns the Company's Lexington Avenue property, have the right to put their remaining 7.64% interest to the Partnership until October 3, 1998, in exchange for a five year secured note in the principal amount of $15,000,000, bearing annual interest at Prime plus 1%.

The Company estimates that the fair market values of its assets are substantially in excess of their historical cost and that it has additional borrowing capacity. Alexander's continues to evaluate its needs for capital which may be raised through (a) property specific or corporate borrowing, (b) the sale of securities and (c) asset sales.

In addition, in March 1998 the Company received the proceeds from the condemnation of a portion of its Paramus property of $14,700,000 and repaid $3,591,000 of the loan collateralized by the property.

Although there can be no assurance, the Company believes that these cash sources will be adequate to fund cash requirements until its operations generate adequate cash flow.

CASH FLOWS

Three Months Ended March 31, 1998

Cash provided by operating activities of $13,897,000 was comprised of (i) net income of $922,000, (ii) proceeds from the condemnation of a portion of the Paramus property of $14,700,000 and (iii) non-cash items of $271,000, offset by (iv) the net change in operating assets and liabilities of $1,996,000. The adjustments for non-cash items are comprised of depreciation and amortization of $1,169,000, offset by the effect of straight-lining of rental income of $898,000.

Net cash used in investing activities of $9,940,000 was primarily comprised of (i) cash from the condemnation of a portion of the Paramus property restricted for construction and development of $6,326,000 and (ii) capital expenditures of $3,603,000.

Net cash used in financing activities of $3,948,000 was comprised primarily of repayments of debt.

ALEXANDER'S, INC.
AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Three Months Ended March 31, 1997

Cash used in operating activities of $480,000 was comprised of (i) a net loss of $208,000, (ii) the payment of liabilities of discontinued operations of $249,000 and (iii) the net change in operating assets and liabilities of $568,000, offset by adjustments for non-cash items of $545,000. The adjustments for non-cash items are comprised of depreciation and amortization of $1,057,000, offset by the effect of straight-lining of rental income of $512,000.

Net cash used in investing activities of $3,817,000 was comprised of capital expenditures of $4,398,000, offset by the release of cash restricted for both operating liabilities and construction financing of $581,000.

Net cash provided by financing activities of $16,171,000 was comprised of proceeds from the issuance of debt (net of deferred debt expense) of $16,500,000 on the Rego Park I property, offset by repayments of debt of $329,000.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits: The following exhibits are filed with this Quarterly Report on Form 10-Q.

27 Financial Data Schedule

(b) Reports on Form 8-K

None

ALEXANDER'S, INC.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALEXANDER'S, INC.

(Registrant)

Date: May 7, 1998

/s/ Joseph Macnow

JOSEPH MACNOW
Vice President - Chief Financial
Officer and Chief Accounting Officer

ALEXANDER'S, INC.

EXHIBIT INDEX

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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3-MOS
DEC-31-1998
MAR-31-1998
2,700
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622
(147)
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0
219,950
(35,862)
232,099
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