

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: MARCH 31, 2001

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)

888 SEVENTH AVENUE, NEW YORK, NEW YORK

10019

(Address of principal executive offices) (Zip Code)

(212) 894-7000

(Registrant's telephone number, including area code)

N/A

(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.
 Yes No

As of May 1, 2001 there were 5,000,850 common shares outstanding.

ALEXANDER'S, INC.
AND SUBSIDIARIES
INDEX

Page Number

PART I. FINANCIAL INFORMATION:

Item 1.	Financial Statements:	
	Consolidated Balance Sheets as of March 31, 2001 and December 31, 2000.....	3
	Consolidated Statements of Income for the Three Months Ended March 31, 2001 and March 31, 2000.....	4
	Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2001 and March 31, 2000.....	5
	Notes to Consolidated Financial Statements.....	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	9
Item 3.	Quantitative and Qualitative Disclosures about Market Risk.....	12

PART II. OTHER INFORMATION:

Item 1.	Legal Proceedings.....	13
Item 6.	Exhibits and Reports on Form 8-K.....	13

Signatures	14
Exhibit Index	15

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ALEXANDER'S, INC.
AND SUBSIDIARIESCONSOLIDATED BALANCE SHEETS
(amounts in thousands except share amounts)

	MARCH 31, 2001	DECEMBER 31, 2000
	-----	-----
ASSETS:		
Real estate, at cost:		
Land.....	\$ 81,656	\$ 81,656
Buildings, leaseholds and improvements.....	173,528	141,873
Capitalized expenses, development costs and construction in progress.....	148,690	169,811
	-----	-----
Total.....	403,874	393,340
Less accumulated depreciation and amortization.....	(52,966)	(51,848)
	-----	-----
Real estate, net.....	350,908	341,492
Asset held for sale (Fordham Road property).....	--	4,559
Cash and cash equivalents.....	1,661	2,272
Restricted cash.....	8,328	8,390
Accounts receivable, net of allowance for doubtful accounts of \$685 in 2001 and \$722 in 2000.....	2,326	1,723
Receivable arising from the straight-lining of rents, net.....	15,983	15,084
Deferred lease and other property costs.....	24,464	24,453
Deferred debt expense.....	1,651	2,280
Other assets.....	4,583	3,052
	-----	-----
TOTAL ASSETS.....	\$ 409,904	\$ 403,305
	=====	=====

	MARCH 31, 2001	DECEMBER 31, 2000
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Debt (including \$119,000 and \$115,000 due to Vornado Realty Trust in 2001 and 2000).....	\$ 351,210	\$ 367,788
Amounts due to Vornado Realty Trust and its affiliate.....	1,900	1,267
Accounts payable and accrued expenses.....	10,837	13,821
Other liabilities	2,655	2,734
	-----	-----
TOTAL LIABILITIES.....	366,602	385,610
	-----	-----

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY:

Preferred stock; no par value; authorized, 3,000,000 shares issued; none		
Common stock; \$1.00 par value per share; authorized, 10,000,000 shares; issued 5,173,450 shares.....	5,174	5,174
Additional capital.....	24,843	24,843
Retained earnings/(deficit).....	14,245	(11,362)
	-----	-----
	44,262	18,655
Less treasury shares, 172,600 shares at cost.....	(960)	(960)
	-----	-----
Total stockholders' equity.....	43,302	17,695
	-----	-----

TOTAL LIABILITIES AND

STOCKHOLDERS' EQUITY.....

\$ 409,904
=====

\$ 403,305
=====

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(amounts in thousands except per share amounts)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
REVENUES:		
Property rentals.....	\$ 10,912	\$ 10,512
Expense reimbursements.....	5,978	4,574
Total revenues.....	16,890	15,086
EXPENSES:		
Operating (including management fee to Vornado of \$340 and \$335 in 2001 and 2000).....	7,178	6,614
General and administrative (including management fee to Vornado of \$540 in each three month period).....	878	851
Depreciation and amortization.....	1,582	1,353
Total expenses.....	9,638	8,818
OPERATING INCOME.....	7,252	6,268
Interest and debt expense (including interest on loans from Vornado).....	(4,578)	(5,233)
Interest and other income, net.....	373	392
Income before gain on sale of Fordham Road property and extraordinary item.....	3,047	1,427
Gain on sale of Fordham Road property.....	19,026	--
Income before extraordinary item.....	22,073	1,427
Extraordinary gain from early extinguishment of debt.....	3,534	--
NET INCOME.....	\$ 25,607	\$ 1,427
Basic income per share before extraordinary item.....	\$ 4.41	\$ 0.29
Diluted income per share before extraordinary item.....	\$ 4.41	\$ 0.28
Basic income per share after extraordinary item.....	\$ 5.12	\$ 0.29
Diluted income per share after extraordinary item.....	\$ 5.12	\$ 0.28

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,	
	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income.....	\$ 25,607	\$ 1,427
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization (including debt issuance costs).....	2,105	1,805
Straight-lining of rental income, net.....	(899)	(913)
Gain on sale of Fordham Road property.....	(19,026)	--
Extraordinary gain from early extinguishment of debt.....	(3,534)	--
Change in assets and liabilities:		
Accounts receivable.....	(603)	1,408
Amounts due to Vornado Realty Trust and its affiliate.....	633	(1,554)
Accounts payable and accrued expenses.....	(2,694)	(831)
Other liabilities.....	(79)	(184)
Other.....	(2,003)	(861)
Net cash (used in) provided by operating activities.....	(493)	297
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to real estate.....	(10,534)	(21,298)
Proceeds from sale of Fordham Road property.....	23,701	--
Cash restricted for construction and development.....	313	5,861
Cash made available for operating liabilities.....	(251)	(213)
Net cash provided by (used in) investing activities	13,229	(15,650)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of debt.....	9,685	10,329
Debt repayments.....	(22,958)	(166)
Deferred debt expense.....	(74)	(105)
Payment of acquisition obligation.....	--	(5,872)
Net cash (used in) provided by financing activities.....	(13,347)	4,186
Net decrease in cash and cash equivalents.....	(611)	(11,167)
Cash and cash equivalents at beginning of period.....	2,272	26,053
Cash and cash equivalents at end of period.....	\$ 1,661	\$ 14,886
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (of which \$5,154 and \$3,338 have been capitalized).....	\$ 9,811	\$ 7,700

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, 2001, the Consolidated Statements of Income for the three months ended March 31, 2001 and 2000, and the Consolidated Statements of Cash Flows for the three months ended March 31, 2001 and 2000 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 accounting principles generally accepted in the United States of America have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Alexander's, Inc. and Subsidiaries' (the "Company") annual report on Form 10-K for the year ended December 31, 2000 as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2001 are not necessarily indicative of the operating results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

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

Vornado owns 33.1% of the Company's Common Stock at March 31, 2001. 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 \$2,464,000 and \$1,687,000 in the three month periods ended March 31, 2001 and 2000.

At March 31, 2001, the Company is indebted to Vornado in the amount of \$119,000,000 comprised of (i) \$95,000,000 relating to the subordinated tranche of a \$115,000,000 secured financing, and (ii) \$24,000,000 under a secured line of credit. On March 15, 2001, the interest rate on these loans was reset from 15.72% to 13.74% using the same spread to treasuries as previously used. In addition, during the three-months ended March 31, 2001, the Company borrowed \$4,000,000 under the secured line of credit from Vornado. At March 31, 2001, \$26,000,000 remains available under this facility. The Company incurred interest on its loans from Vornado of \$4,766,000 and \$3,474,000 in the three months ended March 31, 2001 and 2000.

3. SALE OF FORDHAM ROAD PROPERTY

The Company sold its Fordham Road property, located in the Bronx, New York, on January 12, 2001. The vacant property contains 303,000 square feet and was sold for \$25,500,000 resulting in a gain of \$19,026,000. In addition, the Company paid off the mortgage on this property at a discount, which resulted in an extraordinary gain from the early extinguishment of debt of \$3,534,000. Included in the expenses relating to the sale, the Company paid a commission of \$1,020,000, of which \$520,000 was paid to Vornado.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. KINGS PLAZA REGIONAL SHOPPING CENTER

The Company has completed an interior renovation of the Kings Plaza Regional Shopping Center (the "Center") at a cost of \$31,655,000. These costs were reclassified to "Buildings, leaseholds and improvements" from "Capitalized expenses, development costs and construction in progress" during the first quarter of this year. The exterior of the Center is expected to be renovated this year at a cost of \$1,300,000.

At March 31, 2001, the Company has a \$115,210,000 loan secured by a mortgage on the Kings Plaza Regional Shopping Center (the "Center") that is due to mature on June 1, 2001. The Company is currently negotiating a refinancing of the Center with various outside lenders. Based on the historical operating performance of the Center, management believes that it has excess borrowing capacity over the existing mortgage loan.

5. COMMITMENTS AND CONTINGENCIES

The Company let contracts for \$28,000,000 to undertake the excavation, clearing and preparation of the Lexington Avenue property for the proposed development of a large multi-use building. As of March 31, 2001, \$27,338,000 has been paid.

In June 1997, the Kings Plaza Regional Shopping Center (the "Center"), 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 bis (2-ethylhexyl) phthalate contamination in the soil and groundwater. The Company has delineated the contamination and has developed a remediation approach. The New York State Department of Environmental Conservation ("NYDEC") has approved a portion of the remediation approach. The Company accrued \$2,000,000 in previous years (\$1,755,000 has been paid as of March 31, 2001) 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 Company could incur additional obligations.

The majority of the contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Company 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 Company has not recorded an asset as of March 31, 2001 for potential recoveries of environmental remediation costs from other parties.

Neither the Company nor any of its subsidiaries is a party to, nor is their property the subject of, any material pending legal proceeding other than routine litigation incidental to their businesses. The Company believes that these legal actions will not be material to the Company's financial condition or results of operations.

Letters of Credit

Approximately \$900,000 in standby letters of credit were issued at March 31, 2001.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME PER SHARE

The following table sets for the computation of basic and diluted income per share:

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
	-----	-----
(amounts in thousands except per share amounts)		
Numerator:		
Income before extraordinary item.....	\$ 22,073	\$ 1,427
Extraordinary item.....	3,534	--
	-----	-----
Net income.....	25,607	1,427
	=====	=====
Denominator:		
Denominator for basic income per share - weighted average shares.....	5,001	5,001
Effect of dilutive securities:		
Employee stock options.....	--	58
	-----	-----
Denominator for diluted income per share - adjusted weighted average shares and assumed conversions.....	5,001	5,059
	=====	=====
INCOME PER COMMON SHARE - BASIC:		
Income before extraordinary item.....	\$ 4.41	\$.29
Extraordinary item.....	.71	--
	-----	-----
Net income per common share.....	\$ 5.12	\$.29
	=====	=====
INCOME PER COMMON SHARE - DILUTED:		
Income before extraordinary item.....	\$ 4.41	\$.28
Extraordinary item.....	.71	--
	-----	-----
Net income per common share.....	\$ 5.12	\$.28
	=====	=====

7. SUBSEQUENT EVENTS

On May 1, 2001 the Company entered into a lease agreement with Bloomberg L.P., a global, multi-media based distributor of information services. Under this agreement, Bloomberg will lease approximately 700,000 square feet at the Company's 59th Street and Lexington Avenue development property. The initial term of the lease is for 25 years, with a ten-year renewal option. Base annual net rent is \$34,221,000 in each of the first four years and \$38,226,000 in the fifth year, with similar percentage increases thereafter.

The development will contain approximately 1.4 million square feet of retail, office and residential space. The funding required for the proposed building will be in excess of \$650 million. Alexander's is exploring various alternatives for financing the project, including equity, debt, joint ventures and asset sales, which may involve arrangements with Vornado Realty Trust.

There can be no assurance that this project will be ultimately completed, completed on time or completed for the budgeted amount. If the project is not completed on a timely basis, the lease may be cancelled and significant penalties may apply.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21 E of the Securities Exchange Act of 1934, as amended. Certain factors could cause actual results to differ materially from those in the forward-looking statements. Factors that might cause such a material difference include, but are not limited to, (a) changes in the general economic climate, (b) local conditions such as an oversupply of space or a reduction in demand for real estate in the area, (c) conditions of tenants, (d) competition from other available space, (e) increased operating costs and interest expense, (f) the timing of and costs associated with property improvements, (g) changes in taxation or zoning laws, (h) government regulations, (i) failure of Alexander's to continue to qualify as a REIT, (j) availability of financing on acceptable terms, (k) potential liability under environmental or other laws or regulations, (l) general competitive factors, (m) dependence upon Vornado Realty Trust and (n) possible conflicts of interest with Vornado Realty Trust.

RESULTS OF OPERATIONS

The Company had net income of \$25,607,000 in the quarter ended March 31, 2001, compared to \$1,427,000 in the quarter ended March 31, 2000, an increase of \$24,180,000. Included in the current quarter is a gain on the sale of the Fordham Road property of \$19,026,000 and an extraordinary gain from the early extinguishment of debt of \$3,534,000. Excluding these items, net income would have been \$3,047,000, or a \$1,620,000 increase, over prior year's quarter.

Tenant expense reimbursements were \$5,978,000 in the quarter ended March 31, 2001, compared to \$4,574,000 in the prior year's quarter, an increase of \$1,404,000. This increase resulted from (i) reimbursements for incremental repairs and maintenance over the prior year's quarter, (ii) higher reimbursements for a portion of the increased fuel costs of the utility plant at the Company's Kings Plaza Regional Shopping Center, and (iii) a change made in prior year's quarter in the method of allocating an anchor tenant's share of parking lot expenses at the Rego Park I property (which covered a number of years and reduced the prior year's quarter amount).

Operating expenses were \$7,178,000 in the quarter ended March 31, 2001, compared to \$6,614,000 in the prior year's quarter, an increase of \$564,000. This increase resulted primarily from incremental repairs and maintenance over the prior year's quarter.

Depreciation and amortization expense was \$1,582,000 in the quarter ended March 31, 2001, compared to \$1,353,000 in the prior year's quarter. The increase of \$229,000 resulted primarily from the commencement of depreciation of the costs incurred in connection with the completion of a renovation of the Kings Plaza Regional Shopping Center.

Interest and debt expense was \$4,578,000 in the quarter ended March 31, 2001, compared to \$5,233,000 in the prior year's quarter, a decrease of \$655,000. This decrease resulted from higher capitalized interest relating to the Company's development properties, partially offset by (i) higher average debt, and (ii) an increase in the average interest rate.

LIQUIDITY AND CAPITAL RESOURCES

In the aggregate, Alexander's operating 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 development. As rents commence from portions of the development property(s) and from the vacant property the Company expects that cash flow will become positive.

The Company has completed an interior renovation of the Kings Plaza Regional Shopping Center (the "Center") at a cost of \$31,655,000. The exterior of the Center is expected to be renovated this year at a cost of \$1,300,000.

The Company has completed the excavation and laying the foundation for its Lexington Avenue property as part of the proposed development of a large multi-use building. The proposed 1.4 million square feet building is expected to be comprised of a commercial portion, which may include a combination of retail stores and offices; and a residential portion, consisting of condominium units. If the residential portion of the property is developed, the air rights representing the residential portion would be transferred to a taxable REIT subsidiary, as a REIT is not permitted to sell condominiums without being subject to a 100% excise tax on the gain from the sale of such condominiums. In connection with the proposed development, the Company let contracts for \$28,000,000 to undertake the excavation and laying the foundation. As of March 31, 2001, \$27,338,000 has been paid. The funding required for the proposed building will be in excess of \$650,000,000. The Company is exploring various alternatives for financing the project, including equity, debt, joint ventures and asset sales, which may involve arrangements with Vornado Realty Trust.

On May 1, 2001 the Company entered into a lease agreement with Bloomberg L.P., under this agreement, Bloomberg will lease approximately 700,000 square feet. The initial term of the lease is for 25 years, with a ten-year renewal option. Base annual net rent is \$34,221,000 in each of the first four years and \$38,226,000 in the fifth year with similar percentage increases thereafter. There can be no assurance that this project will be ultimately completed, completed on time or completed for the budgeted amount. If the project is not completed on a timely basis, the lease may be cancelled and significant penalties may apply.

The Company, on its own, in a joint venture or through a third party, may develop a shopping center of approximately 550,000 square feet on the Paramus Property. The estimated cost of such development is approximately \$100,000,000. The Company has received municipal approvals on tentative plans to redevelop the site. No development plans have been finalized.

The Company sold its Fordham road property, located in the Bronx, New York, on January 12, 2001. The vacant property contains 303,000 square feet and was sold for \$25,500,000 resulting in a gain of \$19,026,000. In addition, the Company paid off the \$21,263,000 mortgage on this property at a discount, which resulted in an extraordinary gain from the early extinguishment of debt of \$3,534,000.

During the three-months ended March 31, 2001, the Company borrowed \$4,000,000 under the secured line of credit from Vornado. At March 31, 2001, \$26,000,000 remains available under this facility.

On March 15, 2001 the interest rate on the \$119,000,000 loans from Vornado were reset from 15.72% to 13.74% using the same spread to treasuries as previously used.

At March 31, 2001, the Company has a \$115,210,000 loan secured by a mortgage on the Kings Plaza Regional Shopping Center (the "Center") that is due to mature on June 1, 2001. The Company is currently negotiating a refinancing of the Center with various outside lenders. Based on the historical operating performance of the Center, management believes that it has excess borrowing capacity over the existing mortgage loan.

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. 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 for the Three Months Ended March 31, 2001 and 2000.

Three Months Ended March 31, 2001

Cash used in operating activities of \$493,000 was comprised of (i) net income of \$25,607,000, (ii) non-cash items of \$1,206,000, offset by (iii) gain on sale of Fordham Road property of \$19,026,000, (iv) extraordinary gain from early extinguishment of debt of \$3,534,000, and (v) the net change in operating assets and liabilities of \$4,746,000. The adjustments for non-cash items are comprised of (i) depreciation and amortization of \$2,105,000, offset by (ii) the effect of straight-lining of rental income of \$899,000.

Net cash provided by investing activities of \$13,229,000 was comprised of (i) proceeds from the sale of the Fordham Road property of \$23,701,000, and (ii) the release of restricted cash of \$62,000, partially offset by capital expenditures of \$10,534,000. The capital expenditures were primarily comprised of (i) capitalized interest and other carrying costs of \$5,690,000, (ii) renovations to the Kings Plaza Regional Shopping Center of \$2,096,000, and (iii) excavation, foundation and predevelopment costs at Lexington Avenue of \$1,887,000.

Net cash used in financing activities of \$13,347,000 resulted primarily from debt repayment of \$22,958,000 partially offset by an increase in debt of \$9,685,000.

Three Months Ended March 31, 2000

Cash provided by operating activities of \$297,000 was comprised of (i) net income of \$1,427,000, (ii) non-cash items of \$892,000, offset by (iii) the net change in operating assets and liabilities of \$2,022,000. The adjustments for non-cash items are comprised of (i) depreciation and amortization of \$1,805,000, offset by (ii) the effect of straight-lining of rental income of \$913,000.

Net cash used in investing activities of \$15,650,000 was comprised of capital expenditures of \$21,298,000 partially offset by the release of restricted cash of \$5,648,000.

Net cash provided by financing activities of \$4,186,000 resulted primarily from an increase in debt of \$10,329,000 partially offset by the payment of acquisition debt of \$5,872,000.

Funds from Operations for the Three Months Ended March 31, 2001 and 2000

Funds from operations were \$3,730,000 in the quarter ended March 31, 2001, compared to \$1,297,000 in the prior year's quarter, an increase of \$2,433,000. The following table reconciles funds from operations and net income:

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
Net income.....	\$ 25,607,000	\$ 1,427,000
Gain on Sale of Fordham Road property.....	(19,026,000)	--
Extraordinary gain from early extinguishment of debt.....	(3,534,000)	--
Depreciation and amortization of real property.....	1,582,000	1,353,000
Straight-lining of property rentals for rent escalations.....	(899,000)	(893,000)
Leasing fees paid in excess of expense recognized.....	--	(590,000)
	-----	-----
	\$ 3,730,000	\$ 1,297,000
	=====	=====

Funds from operations does not represent cash generated from operating activities in accordance with generally accepted accounting principles and is not necessarily indicative of cash available to fund cash needs, which is disclosed in the Consolidated Statements of Cash Flows for the applicable periods. There are no material legal or functional restrictions on the use of funds from operations. Funds from operations should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. Management considers funds from operations a relevant supplemental measure of operating performance because it provides a basis for comparison among REITs; however, funds from operations may not be comparable to similarly titled measures reported by other REITs since the Company's method of calculating funds from operations is different from that used by NAREIT. Funds from operations, as defined by NAREIT, represents net income before depreciation and amortization, extraordinary items and gains or losses on sales of real estate. Funds from operations as disclosed above has been modified to adjust for the effect of straight-lining of property rentals for rent escalations and leasing fee expenses. Below are the cash flows provided by (used in) operating, investing and financing activities:

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2001	2000
Operating activities.....	\$ (493,000)	\$ 297,000
Investing activities.....	\$ 13,229,000	\$(15,650,000)
Financing activities.....	\$(13,347,000)	\$ 4,186,000

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At March 31, 2001, the Company has \$150,210,000 of variable rate of debt at a weighted average interest rate of 7.00% and \$201,000,000 of fixed rate of debt bearing interest at a weighted average interest rate of 11.09%. A one percent increase in the base used to determine the interest rate of the variable rate debt would result in a \$1,502,000 decrease in the Company's annual net income (\$.30 per basic and diluted share).

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Neither the Company nor any of its subsidiaries is a party to, nor is their property the subject of, any material pending legal proceeding other than routine litigation incidental to their businesses. The Company believes that these legal actions will not be material to the Company's financial condition or results of operations.

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

- (a) Exhibits required by Item 601 of Regulation of S-K are filed herewith and are listed in the attached Exhibit Index.
- (b) Reports on Form 8-K:
None.

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 3, 2001

/s/ Patrick T. Hogan

Patrick T. Hogan,
Vice President - Chief Financial Officer

EXHIBIT INDEX

EXHIBIT NO. ---		PAGE ----
3(i)	-- Certificate of Incorporation, as amended. Incorporated herein by reference from Exhibit 3.0 to the Registrant's Current Report on Form 8-K dated September 21, 1993.....	*
3(ii)	-- By-laws, as amended. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*
10(i)(A)(1)	-- Agreement, dated as of December 4, 1985, among Seven Thirty One Limited Partnership ("731 Limited Partnership"), Alexander's Department Stores of Lexington Avenue, Inc., the Company, Emanuel Gruss, Riane Gruss and Elizabeth Goldberg (collectively, the "Partners"). Incorporated herein by reference from Exhibit 10(i)(F)(1) to the Registrant's Form 10-K for the fiscal year ended July 26, 1986.....	*
10(i)(A)(2)	-- Amended and Restated Agreement of Limited Partnership in the 731 Limited Partnership, dated as of August 21, 1986, among the Partners. Incorporated herein by reference from Exhibit 1 to the Registrant's Current Report on Form 8-K, dated August 21, 1986.....	*
10(i)(A)(3)	-- Third Amendment to Amended and Restated Agreement of Limited Partnership dated December 30, 1994, among the Partners. Incorporated herein by reference from Exhibit 10(i)(A)(3) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(i)(B)(1)	-- Promissory Note Modification Agreement, dated October 4, 1993, between Alexander's Department Stores of New Jersey, Inc. and New York Life Insurance Company ("New York Life"). Incorporated herein by reference from Exhibit 10(i)(3)(a) to the Registrant's Form 10-K for the Transition Period August 1, 1993 to December 31, 1993.....	*
10(i)(B)(2)	-- Mortgage Modification Agreement, dated October 4, 1993, by Alexander's Department Stores of New Jersey, Inc. and New York Life Incorporated herein by reference from Exhibit 10(i)(E)(3)(a) to the Registrant's Form 10-K for the Transition Period August 1, 1993 to December 31, 1993.....	*
10(i)(C)	-- Credit Agreement, dated March 15, 1995, among the Company and Vornado Lending Corp. Incorporated herein by reference from Exhibit 10(i)(C) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(i)(C)(1)	-- Modification and Extension of Credit Agreement, dated as of March 13, 2000, between Vornado Lending L.L.C., as Lender, and Alexander's Inc., as Borrower. Incorporated herein by reference from Exhibit 10(i)(C)(1) to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2000.....	*
10(i)(D)	-- Credit Agreement, dated March 15, 1995, among the Company and First Union Bank, National Association. Incorporated herein by reference from Exhibit 10(i)(D) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*

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* Incorporated by reference

EXHIBIT NO. ---	PAGE -----
10(i)(D)(1) -- Modification and Extension of Credit Agreement, dated as of April 14, 2000, between First Union National Bank, as lender, and Alexander's Inc., as borrower. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*
10(i)(D)(2) -- Pledge and Security Agreement for Transferable Development Rights, dated as of April 14, 2000, between First Union National Bank, as secured party, 731 Limited Partnership, as assignor, and Alexander's, Inc. as borrower, Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*
10(i)(E) -- Amended, Restated and Consolidated Mortgage and Security Agreement, dated May 12, 1999, between The Chase Manhattan Bank, as mortgagee, and Alexander's Rego Shopping Center Inc., as mortgagor. Incorporated herein by reference from Exhibit 10(i)(E) to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2000.....	*
10(i)(G)(1) -- Real Estate Retention Agreement dated as of July 20, 1992, between Vornado Realty Trust and Keen Realty Consultants, Inc., each as special real estate consultants, and the Company. Incorporated herein by reference from Exhibit 10(i)(G) to the Registrant's Form 10-K for the fiscal year ended July 25, 1992.....	*
10(i)(G)(2) -- Extension Agreement to the Real Estate Retention Agreement, dated as of February 6, 1995, between the Company and Vornado Realty Trust. Incorporated herein by reference from Exhibit 10(i)(G)(2) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(i)(H) -- Management and Development Agreement, dated as of February 6, 1995, between Vornado Realty Trust and the Company, on behalf of itself and each subsidiary listed therein. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated February 6, 1995.....	*
10(i)(I) -- Commitment letter, dated as of February 6, 1995, between Vornado Realty Trust and the Company. Incorporated herein by reference from Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated February 6, 1995.....	*
10(i)(J)(1) -- First Amendment to Mortgage and Security Agreement, dated as of February 24, 2000, between Banc of America Commercial Finance Corporation, as mortgagee, and Alexander's of Fordham Road, Inc., as mortgagor. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*
10(i)(J)(2) -- Amended and Restated Promissory Note (Secured), dated as of February 24, 2000, between Banc of America Commercial Finance Corporation, as lender, and Alexander's of Fordham Road, Inc., as borrower. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*
10(i)(J)(3) -- Trigger Agreement, dated as of February 24, 2000, between Banc of America Commercial Finance Corporation, as lender, and Alexander's, Inc., as guarantor. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2000.....	*

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* Incorporated by reference

EXHIBIT NO. ---		PAGE ----
10(i)(K)	-- Term Loan Agreement dated as of June 18, 1998 among Alexanders' Kings Plaza Center, Inc., Kings Plaza Corp., and Alexander's Department Stores of Brooklyn, Inc., as Borrower, Union Bank of Switzerland, as Lender. Incorporated herein by reference from Exhibit 10 to the Registrant's Form 10-Q for the fiscal quarter ended June 30, 1998.....	*
10(ii)(A)(3)	-- Agreement of Lease for Rego Park, Queens, New York, between Alexander's, Inc. and Sears Roebuck & Co. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1994.....	*
10(ii)(A)(4)(a)	-- Lease for Roosevelt Avenue, Flushing, New York, dated as of December 1, 1992, between the Company, as landlord, and Caldor, as tenant. Incorporated herein by reference from Exhibit (ii)(E)(7) to the Registrant's Form 10-K for the fiscal year ended July 25, 1992.....	*
10(ii)(A)(4)(b)	-- First Amendment to Sublease for Roosevelt Avenue, Flushing, New York, dated as of February 22, 1995 between the Company, as sublandlord, and Caldor, as tenant. Incorporated herein by reference from Exhibit 10(ii)(A)(8)(b) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(ii)(A)(5)	-- Lease Agreement, dated March 1, 1993 by and between the Company and Alex Third Avenue Acquisition Associates. Incorporated by reference from Exhibit 10(ii)(F) to the Registrant's Form 10-K for the fiscal year ended July 31, 1993.....	*
10(ii)(A)(6)	-- Agreement of Lease for Rego Park, Queens, New York, between the Company and Marshalls of Richfield, MN., Inc., dated as of March 1, 1995. Incorporated herein by reference from Exhibit 10(ii)(A)(12)(a) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(ii)(A)(7)	-- Guaranty, dated March 1, 1995, of the Lease described in Exhibit 10(ii)(A)(6)(a) above by the Company. Incorporated herein by reference from Exhibit 10(ii)(A)(12)(b) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(iii)(B)	-- Employment Agreement, dated February 9, 1995, between the Company and Stephen Mann. Incorporated herein by reference from Exhibit 10(iii)(B) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.....	*
10(iv)(A)	-- Registrant's Omnibus Stock Plan, as amended, dated May 28, 1997. Incorporated herein by reference from Exhibit 10 to the Registrant's Form 10-Q for the fiscal quarter ended June 30, 1997....	*

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* Incorporated by reference