UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

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

For the fiscal year ended: DECEMBER 31, 2004

[ ] 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: 001-6064

ALEXANDER'S, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	51-0100517
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
210 ROUTE 4 EAST, PARAMUS, NEW JERSEY	07652
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1 par value per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 [X] NO [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). YES [X] NO [ ]

The aggregate market value of the voting and non-voting common shares held by non-affiliates of the registrant, (i.e., by persons other than officers and directors of Alexander's, Inc.) as of June 30, 2004 was $331,406,000.

As of February 4, 2005, there were 5,013,850 shares of the registrant's common stock, par value $1 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

PART III: Portions of the Proxy Statement for Annual Meeting of Stockholders to be held on May 18, 2004

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(1) These items are omitted in part or in whole because the registrant will file a definitive Proxy Statement pursuant to Regulation 14A under the Securities Exchange Act of 1934 for the election of directors with the Securities and Exchange Commission not later than 120 days after December 31, 2004, which is incorporated by reference herein. See "Executive Officers of the Registrant" for information relating to executive officers.

FORWARD-LOOKING STATEMENTS

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 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. The Company's future results, financial condition, results of operations and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "believes," "expects," "anticipates," "estimates," "intends," "plans" or other similar expressions in this Annual Report on Form 10-K. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. Factors that might cause such a material difference include, but are not limited to: (a) national, regional and local economic conditions; (b) the consequences of any armed conflict involving, or terrorist attack against, the United States; (c) our ability to secure adequate insurance; (d) local conditions, such as an oversupply of space or a reduction in demand for real estate in the area; (e) competition from other available space; (f) whether tenants consider a property attractive; (g) the financial condition of our tenants, including the extent of tenant bankruptcies or defaults; (h) whether we are able to pass some or all of any increased operating costs we incur through to our tenants; (i) how well we manage our properties; (j) any increase in interest rates; (k) any decreases in market rental rates; (l) the timing and costs associated with property development, improvements and rentals; (m) changes in taxation or zoning laws; (n) government regulations; (o) our failure to continue to qualify as a real estate investment trust; (p) availability of financing on acceptable terms or at all; (q) potential liability under environmental or other laws or regulations; (r) general competitive factors; (s) dependence upon Vornado Realty Trust; and (t) possible conflicts of interest with Vornado Realty Trust. See "Risk Factors" for more information about important factors that would cause actual results to differ materially from the results anticipated by these forward looking statements.

The Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for these forward-looking statements. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K or the date of the applicable document incorporated by reference. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

ITEM 1. BUSINESS

GENERAL

Alexander's, Inc. (the "Company" or "Alexander's") is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping properties. Alexander's activities are conducted through its manager, Vornado Realty Trust ("Vornado").

Alexander's has six properties in the greater New York City metropolitan area consisting of:

Operating properties

(i) the 731 Lexington Avenue property, a 1,300,000 square foot multi-use building which comprises the entire square block bounded by Lexington Avenue, East 59th Street, Third Avenue and East 58th Street in Manhattan, New York;

(ii) the Kings Plaza Regional Shopping Center, located on Flatbush Avenue in Brooklyn, New York, which contains 1,098,000 square feet and is comprised of a two-level mall containing 470,000 square feet, a 289,000 square foot department store leased to Sears and another anchor department store owned and operated as a Macy's by Federated Department Stores, Inc.;

(iii) the Rego Park I property, located on Queens Boulevard and 63rd Road in Queens, New York, which contains a 351,000 square foot building that is 100% leased to Sears, Circuit City, Bed Bath & Beyond, Marshalls and Old Navy;

(iv) the Paramus property, which consists of 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey, which is leased to IKEA Property, Inc;

(v) the Flushing property, located at Roosevelt Avenue and Main Street in Queens, New York, which contains a 177,000 square foot building that is currently vacant; and

Property to be developed

(vi) the Rego Park II property, which comprises one and one-half square blocks of vacant land adjacent to the Rego Park I property.

731 Lexington Avenue

731 Lexington Avenue contains approximately 885,000 net rentable square feet of office space, approximately 174,000 net rentable square feet of retail space (excluding 14,800 square feet of mezzanine space) and approximately 248,000 net saleable square feet of residential space consisting of 105 condominium units (through a taxable REIT subsidiary ("TRS")). Of the construction budget of $630,000,000 (which excludes $29,000,000 for development and guarantee fees to Vornado), $489,400,000 has been expended through December 31, 2004 and an additional $23,500,000 has been committed to at December 31, 2004. The remaining construction is expected to be completed by the end of 2005.

On February 13, 2004, the Company closed a $400,000,000 mortgage financing on the office space. The loan bears interest at 5.33%, matures in February 2014 and beginning in the third year, provides for principal payments based on a 25-year amortization schedule such that over the remaining eight years of the loan, ten years of amortization will be paid. Of the loan proceeds, $253,529,000 was used to repay the entire amount outstanding under the previously existing construction loan.

While the project is nearing completion, there can be no assurance that the remainder of the project will be completed on time or completed for the budgeted amount. Any failure to complete the 731 Lexington Avenue project on time or within budget may adversely affect future cash flows, funds from operations and financial condition.

Significant Tenants

Bloomberg L.P. and Sears accounted for 36%, and 11% of the Company's consolidated revenues for the year ended December 31, 2004, and Sears accounted for 18% and 19% in 2003 and 2002, respectively. No other tenant accounted for more than 10% of revenues.

Relationship with Vornado Realty Trust

Vornado owned 33.0% of the common stock of Alexander's, Inc. as of December 31, 2004. Steven Roth is the Chairman of the Board and Chief Executive Officer of the Company, the Managing General Partner of Interstate Properties ("Interstate"), a New Jersey general partnership, and the Chairman of the Board and Chief Executive Officer of Vornado. At December 31, 2004, Mr. Roth, Interstate and its other two general partners, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) owned, in the aggregate, 27.4% of the outstanding common stock of Alexander's, Inc., and 10.8% of the outstanding common shares of beneficial interest of Vornado.

The Company is managed and its properties are leased by Vornado pursuant to management, leasing and development agreements. Vornado is a fully-integrated REIT with significant experience in managing, leasing, developing, and operating retail and office properties. Further, in conjunction with the Company's 731 Lexington Avenue development project, Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of the project and funding of project costs in excess of a stated budget, if not funded by the Company (the "Completion Guarantee"). These agreements are more fully described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Relationship with Vornado Realty Trust."

At December 31, 2004, the Company owed Vornado (i) $18,635,000 for development fees, (ii) $23,748,000 for leasing fees, (iii) $4,894,000 for the guarantee fee, (iv) $537,000 for interest, and (v) $1,411,000 for management fees and property management and cleaning fees.

At December 31, 2004, the Company was indebted to Vornado in the amount of $124,000,000, comprised of (i) a $95,000,000 note and (ii) $29,000,000 under a $50,000,000 line of credit (which carries a 1% unused commitment fee). The current interest rate on the loan and line of credit is 9.00% and resets quarterly using a 6.00% spread to one-year treasury with a 3.00% floor for treasuries. The Vornado debt matures on the earlier of January 3, 2006 or the date the Construction Loan is finally repaid. The Construction Loan matures on January 3, 2006 subject to two one-year extensions. In addition, any amounts which may be due under the Completion Guarantee are due at the same time.

ENVIRONMENTAL MATTERS

In June 1997, the Kings Plaza Regional Shopping 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 Phase II Study indicated 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, which is ongoing. The New York State Department of Environmental Conservation ("NYDEC") has approved a portion of the remediation approach. The Company accrued $2,675,000 in previous years, of which $2,550,000 has been paid as of December 31, 2004, for its estimated obligation with respect to the cleanup of the site, and which includes costs of (i) remedial investigation, (ii) feasibility studies, (iii) remedial design, (iv) remedial action and (v) professional fees. If NYDEC insists on a more extensive remediation approach, the Company could incur additional obligations.

The Company has concluded that the large majority of the contamination at the site is historic and the result of past activities of third parties. Although the Company is pursuing claims against potentially responsible third parties, and negotiations are ongoing with a former owner of the property, there can be no assurance as to the extent that the Company will be successful in obtaining recovery from such parties of the remediation costs incurred. In addition, the costs associated with further pursuit of responsible parties may be prohibitive. The Company has not recorded an asset as of December 31, 2004 for possible recoveries of environmental remediation costs from potentially responsible third parties. On January 31, 2005, the Company received a settlement of $337,500 from one of the responsible parties.

COMPETITION

The Company conducts its real estate operations in the greater New York metropolitan area, a highly competitive market. The Company's success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants, the availability and cost of capital, interest rates, construction and renovation costs, taxes, governmental regulations and legislation, population trends, zoning laws, and the ability of the Company to lease, sublease or sell its properties, including the condominium units at 731 Lexington Avenue, at profitable levels. The Company competes with a large number of real estate property owners and developers. The Company's success is also subject to its ability to refinance existing debts as they come due and on acceptable terms.

EMPLOYEES

The Company currently has one salaried corporate employee and 77 property level employees.

AVAILABLE INFORMATION

Copies of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports, as well as Reports on Forms 3, 4 and 5 regarding officers, directors, and 10% beneficial owners of the Company, filed or furnished pursuant to Section 13(a), 15(d) or 16(a) of the Securities Exchange Act of 1934, are available free of charge through the Company's website (www.alx-inc.com) as soon as reasonably practicable after they are electronically filed with, or furnished to, the Securities and Exchange Commission ("SEC"). The Company also has made available, on the website, copies of the Company's (i) Audit Committee charter, (ii) Compensation Committee charter, (iii) code of business conduct and ethics and (iv) corporate governance guidelines. In the event of any changes to these items, changed copies will be made available on the website.

Vornado and Interstate filed, on April 11, 2000, the 26th amendment to, a Form 13D with the SEC indicating that they, as a group own in excess of 51% of the common stock of the Company. This ownership level makes the Company a "controlled" company for the purposes of the New York Stock Exchange, Inc.'s corporate governance Standards (the "NYSE Rules"). This means that the Company is not required by the NYSE Rules, among other things, to have a majority of the members of its Board of Directors be independent under the NYSE Rules, to have all of its members of its Compensation Committee be independent under the NYSE Rules or to have a Nominating Committee. While the Company has voluntarily complied with the majority independence requirements, it is under no obligation to do so and this situation may change at anytime.

EXECUTIVE OFFICE

The Company is a Delaware corporation. Its principal executive office is 210 Route 4 East, Paramus, New Jersey 07652 and its telephone number is (201) 587-8541.

RISK FACTORS

Certain risks and other factors may adversely affect the Company's business and operations including, but not limited to those detailed below. This section contains forward-looking statements. Please see to the qualifications and limitations on forward-looking statements on page 3.

REAL ESTATE INVESTMENTS' VALUE AND INCOME FLUCTUATE DUE TO VARIOUS FACTORS.

THE VALUE OF REAL ESTATE FLUCTUATES DEPENDING ON CONDITIONS IN THE GENERAL ECONOMY AND THE REAL ESTATE INDUSTRY. THESE CONDITIONS MAY ALSO LIMIT THE COMPANY'S REVENUES AND AVAILABLE CASH.

The factors that affect the value of the Company's real estate include: national, regional and local economic conditions, the consequences of any armed conflict involving, or terrorist attack against, the United States, the Company's ability to secure adequate insurance, local conditions, such as an oversupply of space or a reduction in demand for real estate in the area, competition from other available space, whether tenants consider a property attractive, the financial condition of the Company's tenants, including the extent of tenant bankruptcies or defaults, whether the Company is able to pass some or all of any increased operating costs it incurs through to tenants, how well the Company manages its properties, any increases in (i) interest rates, (ii) real estate taxes and (iii) other expenses, any decreases in market rental rates, the timing and costs associated with property development, improvements and rentals, changes in taxation or zoning laws, government regulations, the Company's failure to continue to qualify as a REIT, availability of financing on acceptable terms or at all, potential liability under environmental or other laws or regulations, and general competitive factors.

The rents the Company receives and the occupancy levels at its properties may decline as a result of adverse changes in any of these factors. Some of the Company's major expenses and payments, including mortgage payments, real estate taxes and maintenance costs, generally do not decline when the related rents decline. If rents decline while costs remain constant, the Company's income and funds available for the payment of its indebtedness and for distribution to its security holders will decline.

THE COMPANY DEPENDS ON LEASING SPACE TO TENANTS ON ECONOMICALLY FAVORABLE TERMS AND COLLECTING RENT FROM ITS TENANTS, SOME OF WHICH MAY NOT BE ABLE TO PAY.

The Company's financial results depend on leasing space in its properties to tenants on economically favorable terms. In addition, because substantially all of its income comes from rentals of real property, the Company's income and funds available for the payment of its indebtedness and for distribution to security holders will decrease if a significant number of tenants cannot pay their rents. If a tenant does not pay its rent, the Company might not be able to enforce its rights as landlord without delays and might incur substantial legal costs. For information regarding risks associated with bankruptcy of our tenants, see " -- Bankruptcy of tenants may decrease the Company's revenues and available cash." below.

SOME OF THE COMPANY'S TENANTS REPRESENT A SIGNIFICANT PORTION OF ITS REVENUES. LOSS OF THESE TENANT RELATIONSHIPS OR DETERIORATION IN THE TENANTS' CREDIT QUALITY COULD ADVERSELY AFFECT RESULTS.

Bloomberg L.P. and Sears accounted for 36%, and 11% of the Company's consolidated revenues for the year ended December 31, 2004, and Sears accounted for 18% and 19% in 2003 and 2002, respectively. If the Company fails to maintain a relationship with any of its significant tenants or fails to perform its obligations under agreements with these tenants, or if any of these tenants fails or becomes unable to perform its obligations under the agreements, the Company expects that any one or more of these events would adversely affect the Company's results of operations and financial condition.

BANKRUPTCY OF TENANTS MAY DECREASE THE COMPANY'S REVENUES AND AVAILABLE CASH.

A number of companies, including some of the Company's tenants, have declared bankruptcy in recent years, and other tenants may declare bankruptcy or become insolvent in the future. If a major tenant declares bankruptcy or becomes insolvent, the property at which it leases space may have lower revenues and operational difficulties, and, in the case of its shopping centers, the Company may have difficulty leasing the remainder of the affected property. The Company's leases generally do not contain restrictions designed to ensure the creditworthiness of tenants. As a result, the bankruptcy or insolvency of a major tenant could result in a lower level of funds available for the payment of its indebtedness and for distribution to security holders.

SOME OF THE COMPANY'S POTENTIAL LOSSES MAY NOT BE COVERED BY INSURANCE.

The Company carries comprehensive liability and all-risk property insurance (fire, flood, extended coverage and rental loss insurance) with respect to its assets but is at risk for financial loss in excess of the policies' limits. Such a loss could be material.

Pursuant to the Terrorism Risk Insurance Act of 2002, regulated insurers must offer coverage through 2005 in their commercial property policies for losses resulting from defined "acts of terrorism." As a result of the legislation, since June 2003, the Company has maintained $500,000,000 of coverage per occurrence for certified terrorist acts, as defined in the legislation, and $200,000,000 per occurrence for non-certified acts. The Company is at risk for financial loss in excess of these limits, which loss could be material.

The Company's debt instruments, consisting of mortgage loans secured by its properties (which are generally non-recourse to the Company), contain customary covenants requiring the Company to maintain insurance. There can be no assurance that the lenders under these instruments will not take the position that a future exclusion from all-risk insurance coverage for losses due to terrorist acts is a breach of these debt instruments, allowing the lenders to declare an event of default and accelerate repayment of debt. In addition, if lenders insist on coverage for these risks and the Company is unable to obtain coverage if the Terrorism Risk Insurance Act of 2002 is not extended, it may adversely affect the Company's ability to finance and/or refinance its properties and businesses.

THE COMPANY HAS MADE A SIGNIFICANT INVESTMENT IN ITS 731 LEXINGTON AVENUE PROPERTY. THE FAILURE TO COMPLETE CONSTRUCTION ON TIME AND WITHIN BUDGET WOULD ADVERSELY AFFECT THE COMPANY'S RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

731 Lexington Avenue is a 1.3 million square foot multi-use building. The building contains approximately 885,000 net rentable square feet of office space, approximately 174,000 net rentable square feet of retail space, and approximately 248,000 net saleable square feet of residential space consisting of condominium units (through a taxable REIT subsidiary ("TRS")). While the project in nearing completion, there can be no assurance that the remainder of the project will be completed on time or completed for the budgeted amount. Any failure to complete the 731 Lexington Avenue property on time or within budget may adversely affect future cash flows, funds from operations, and financial condition.

THE COMPANY MAY ACQUIRE OR DEVELOP NEW PROPERTIES, AND THIS MAY CREATE RISKS.

In addition to the 731 Lexington Avenue property, the Company may acquire or develop other properties or acquire other real estate companies when it believes that an acquisition or development is consistent with its business strategies. It may not, however, succeed in consummating desired acquisitions or in completing developments, including the 731 Lexington Avenue property, on time or within budget. The Company also might not succeed in leasing newly developed or acquired properties, at rents sufficient to cover their costs of acquisition or development and operations.

THE COMPANY MAY NOT BE PERMITTED TO DISPOSE OF CERTAIN PROPERTIES OR PAY DOWN THE DEBT ASSOCIATED WITH THOSE PROPERTIES WHEN IT MIGHT OTHERWISE DESIRE TO DO SO WITHOUT INCURRING ADDITIONAL COSTS.

As part of an acquisition of a property, the Company may agree with the seller that it will not dispose of the acquired property or reduce the mortgage indebtedness on the property for significant periods of time unless it pays certain of the resulting tax costs of the seller. These agreements could result in the Company holding on to properties that it would otherwise sell and not paying down or refinancing indebtedness that it would otherwise pay down or refinance.

IT MAY BE DIFFICULT TO BUY AND SELL REAL ESTATE QUICKLY, AND TRANSFER RESTRICTIONS APPLY TO SOME OF THE COMPANY'S MORTGAGED PROPERTIES.

Real estate investments are relatively difficult to buy and sell quickly. Therefore, the Company has limited ability to vary its portfolio promptly in response to changes in economic or other conditions. Some of the Company's properties are mortgaged to secure payment of indebtedness. If it was unable to meet its mortgage payments, lenders could foreclose on properties and the Company could incur losses. In addition, if it wishes to dispose of one or more of the mortgaged properties, it may not be able to obtain release of the liens on the mortgaged properties. If a lender forecloses on a mortgaged property or if a mortgage lien prevents the Company from selling a property or a portion thereof, funds available for payment of indebtedness and for distribution to security holders may decline. For information relating to the mortgages on the Company's properties, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources - -- Debt and Contractual Obligations" and the notes to the consolidated financial statements in this Annual Report on Form 10-K.

ALL OF THE COMPANY'S PROPERTIES ARE IN THE GREATER NEW YORK CITY METROPOLITAN AREA AND ARE AFFECTED BY THE ECONOMIC CYCLES AND RISKS INHERENT IN THAT REGION.

During the years ended December 31, 2004, 2003 and 2002, all of the Company's revenues came from properties located in the greater New York City metropolitan area. Like other real estate markets, the real estate market in this area has experienced economic downturns in the past, and the Company cannot predict how the current economic conditions will impact this market in both the short and long term. Further declines in the economy or a decline in the real estate market in this area could hurt the Company's financial performance and the value of the Company's properties. The factors affecting economic conditions in this region include: business layoffs or downsizing, industry slowdowns, relocations of businesses, changing demographics, increased telecommuting and use of alternative work places, financial performance and productivity of the publishing, advertising, financial, technology, retail, insurance and real estate industries, infrastructure quality, and any oversupply of, or reduced demand for, real estate.

It is impossible for the Company to assess the future effects of the current uncertain trends in the economic and investment climates of the greater New York City metropolitan region, and more generally of the United States, on the real estate market in this area. If these conditions persist, they may adversely affect the Company's businesses and future profitability.

THE COMPANY MAY INCUR COSTS IN COMPLYING WITH ENVIRONMENTAL LAWS.

The Company's operations and properties are subject to various federal, state and local laws, ordinances and regulations concerning the protection of the environment, including air and water quality, hazardous substances and health and safety. Under certain of these environmental laws, a current or previous owner or operator of real estate may be required to investigate and cleanup hazardous or toxic substances released at a property. The owner or operator may also be held liable to a government entity or to third parties for property damage or personal injuries and for investigation and cleanup costs incurred by those parties because of the contamination. These laws often impose liability without regard to whether the owner or operator knew of the release of the substances or caused the release. The presence of contamination or the failure to remediate contamination may impair the Company's ability to sell or lease real estate or to borrow using the real estate as collateral. Other laws and regulations govern indoor and outdoor air quality, including those that can require the abatement or removal of materials containing asbestos in the event of damages, demolition, renovations or remodeling, and also govern emissions of, and exposure to, asbestos fibers in the air. The maintenance and removal of lead paint, certain electrical equipment containing polychlorinated biphenyls and underground storage tanks are also regulated by federal and state laws. The Company could incur fines for environmental compliance and be held liable for the costs of remedial action with respect to the foregoing regulated substances or tanks or related claims arising out of environmental contamination or exposure at or from its properties.

Each of the Company's properties has been subjected to varying degrees of environmental assessment at various times. The environmental assessments did not reveal any material environmental condition except as noted in the following paragraph. However, identification of new compliance concerns or undiscovered areas of contamination, changes in the extent or known scope of contamination, discovery of additional sites, human exposure to the contamination or changes in cleanup or compliance requirements could result in significant costs to the Company.

In June 1997, the Kings Plaza Regional Shopping Center commissioned the Phase II Study to evaluate and delineate environmental conditions disclosed in a Phase I study. The results of the Phase II study indicated 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, which is ongoing. NYDEC has approved a portion of the remediation approach. The Company accrued $2,675,000 in previous years, of which $2,550,000 has been paid as of December 31, 2004, for its estimated obligation with respect to the cleanup of the site, and which includes costs of (i) remedial investigation, (ii) feasibility studies, (iii) remedial design, (iv) remedial action and (v) professional fees. If NYDEC insists on a more extensive remediation approach, the Company could incur additional obligations. The Company can make no assurance that it will not incur additional environmental costs with respect to this property.

REAL ESTATE IS A COMPETITIVE BUSINESS.

The Company operates in a highly competitive environment. All of its properties are located in the greater New York City metropolitan area. The Company competes with a large number of real estate property owners and developers. Principal factors of competition are the amount of rent charged, attractiveness of location and quality and breadth of services provided. The Company's success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants, the availability and cost of capital, interest rates, construction and renovation costs, taxes, governmental regulations and legislation, population trends, zoning laws, and the ability of the Company to lease, sublease or sell its properties, including the condominium units at the 731 Lexington Avenue property, at profitable levels.

TERRORIST ATTACKS SUCH AS THOSE OF SEPTEMBER 11, 2001, IN NEW YORK CITY, MAY ADVERSELY AFFECT THE VALUE OF THE COMPANY'S PROPERTIES AND ABILITY TO GENERATE CASH FLOW.

All of the Company's properties are located in the greater New York City metropolitan area. In the aftermath of terrorist attacks, tenants in this area may choose to relocate their businesses to less populated, lower-profile areas of the United States that are not as likely to be targets of future terrorist activity. This would trigger a decrease in the demand for space in these markets, which could increase vacancies in the Company's properties and force it to lease its properties on less favorable terms. As a result, the value of the Company's properties and the level of its revenues could decline materially.

THE COMPANY'S OWNERSHIP STRUCTURE AND RELATED-PARTY TRANSACTIONS MAY GIVE RISE TO CONFLICTS OF INTEREST.

STEVEN ROTH, VORNADO REALTY TRUST AND INTERSTATE PROPERTIES MAY EXERCISE SUBSTANTIAL INFLUENCE OVER THE COMPANY. THEY AND SOME OF THE COMPANY'S OTHER DIRECTORS AND OFFICERS HAVE INTERESTS OR POSITIONS IN OTHER ENTITIES THAT MAY COMPETE WITH THE COMPANY.

At December 31, 2004, Interstate and its partners owned approximately 10.8% of the common shares of beneficial interest of Vornado, the Company's manager, and approximately 27.4% of Alexander's, Inc. common stock. Steven Roth, David Mandelbaum and Russell B. Wight, Jr. are the partners of Interstate. Mr. Roth is the Chairman of the Board of Directors and Chief Executive Officer of the Company, the Chairman of the Board of Trustees and Chief Executive Officer of Vornado and the Managing General Partner of Interstate. Mr. Wight and Mr. Mandelbaum are both trustees of Vornado and members of the Company's Board of Directors. In addition, Vornado manages and leases the real estate assets of Interstate.

As of December 31, 2004, Vornado owned 33.0% of the Company's outstanding common stock, in addition to that owned by Interstate and its partners. In addition to the relationships described in the immediately preceding paragraph, Michael D. Fascitelli, the President and a trustee of Vornado, is the Company's President and a member of its Board of Directors. Mr. Richard West is a trustee of Vornado and a member of the Company's Board of Directors. In addition, Joseph Macnow, Executive Vice President and Chief Financial Officer, holds the same positions with Vornado.

Because of their overlapping interests, Mr. Roth, Interstate Properties and the other individuals noted in the preceding paragraphs may have substantial influence over both Vornado and Alexander's, and on the outcome of any matters submitted to Vornado shareholders or Alexander's stockholders for approval. In addition, certain decisions concerning the Company's operations or financial structure may present conflicts of interest among Messrs. Roth, Mandelbaum and Wight and Interstate and other security holders. Mr. Roth and Interstate may, in the future, engage in a wide variety of activities in the real estate business which may result in conflicts of interest with respect to matters affecting Vornado or the Company, such as which of these entities or persons, if any, may take advantage of potential business opportunities, the business focus of these entities, the types of properties and geographic locations in which these entities make investments, potential competition between business activities conducted, or sought to be conducted, by Vornado or the Company, competition for properties and tenants, possible corporate transactions such as acquisitions, and other strategic decisions affecting the future of these entities.

THERE MAY BE CONFLICTS OF INTEREST BETWEEN VORNADO REALTY TRUST, ITS AFFILIATES AND THE COMPANY.

At December 31, 2004, Vornado had loans receivable from the Company of $124,000,000 at an interest rate of 9.00%. These loans mature on the earlier of January 3, 2006 or the date that the 731 Lexington Avenue construction loan is finally repaid. In addition, $21,000,000 was available under the line of credit with Vornado at December 31, 2004. Vornado also manages, develops and leases the Company's properties under agreements under which Vornado receives annual fees and will receive a development fee and guarantee fee for the 731 Lexington Avenue property. These agreements have one-year terms expiring in March of each year, except that the 731 Lexington Avenue management and development agreements have terms lasting until substantial completion of the construction of the 731 Lexington Avenue property, and are all automatically renewable. Because the Company and Vornado share common senior management and because a majority of the trustees of Vornado also constitute the majority of the Company's directors, the terms of the foregoing agreements and any future agreements between the Company and Vornado and its affiliates may not be comparable to those the Company could have negotiated with an unaffiliated third party.

For a description of Interstate's ownership of Vornado and Alexander's, see " -- Steven Roth, Vornado Realty Trust and Interstate Properties may exercise substantial influence over the Company. They and some of the Company's other directors and officers have interests or positions in other entities that may compete with the Company." above.

THE ORGANIZATIONAL AND FINANCIAL STRUCTURE OF THE COMPANY GIVES RISE TO OPERATIONAL AND FINANCIAL RISKS.

THE COMPANY DEPENDS ON DIVIDENDS AND DISTRIBUTIONS FROM DIRECT AND INDIRECT SUBSIDIARIES AND THESE SUBSIDIARIES' CREDITORS ARE ENTITLED TO PAYMENT OF AMOUNTS PAYABLE TO THEM BY THE SUBSIDIARIES BEFORE THE SUBSIDIARIES MAY PAY ANY DIVIDENDS OR DISTRIBUTIONS TO THE COMPANY.

Alexander's, Inc. holds substantially all of its properties and assets through subsidiaries. Alexander's, Inc. therefore depends on cash distributions and dividends from its subsidiaries for substantially all of its cash flow. The creditors of each of its direct and indirect subsidiaries are entitled to payment of that subsidiary's obligations to them, when due and payable, before that subsidiary may make distributions or dividends to Alexander's, Inc. Thus, Alexander's, Inc.'s ability to pay its indebtedness and to make dividends to its security holders depends on its subsidiaries' ability to first satisfy their obligations to their creditors.

THE COMPANY HAS SUBSTANTIAL INDEBTEDNESS, AND THIS INDEBTEDNESS MAY INCREASE.

As of December 31, 2004, the Company had approximately $952,528,000 in total debt outstanding, inclusive of $124,000,000 due to Vornado. Our ratio of total debt to total enterprise value was 50.1% at December 31, 2004. "Enterprise value" means the market equity value of Alexander's, Inc. plus debt less cash and cash equivalents at such date. In addition, the Company has significant debt service obligations. For the year ended December 31, 2004, the Company's scheduled cash payments for principal and interest were $64,194,000. In the future, the Company may incur additional debt, and thus increase the ratio of total debt to total enterprise value, to finance acquisitions or property developments. The Company may review and modify its debt level from time to time without notice to or any vote of security holders.

ALEXANDER'S, INC. HAS OUTSTANDING AND EXERCISABLE STOCK APPRECIATION RIGHTS. THE EXERCISE OF THESE STOCK APPRECIATION RIGHTS MAY IMPACT THE COMPANY'S LIQUIDITY.

As of December 31, 2004, 850,000 stock appreciation rights ("SARs") were outstanding and exercisable at a weighted-average exercise price of $71.82. The agreements for these SARs require that they be settled in cash. Had the holders of these SARs chosen to exercise their rights as of December 31, 2004, the Company would have had to pay $121,706,000 in cash. Further appreciation in the Alexander's, Inc. stock price from the closing stock price of $215.00 at December 31, 2004 will increase the cash the Company would have to pay upon exercise and may impact liquidity by requiring the Company to secure additional borrowings to replace such a cash outflow.

THE COMPANY'S EXISTING FINANCING DOCUMENTS CONTAIN COVENANTS AND RESTRICTIONS THAT MAY INHIBIT THE COMPANY'S OPERATIONAL AND FINANCIAL FLEXIBILITY AND RESTRICT OR PROHIBIT THE ABILITY TO MAKE PAYMENTS UPON SECURITIES.

At December 31, 2004, substantially all of the Company's properties were pledged to secure obligations under $952,528,000 of existing secured indebtedness. If the Company were to fail to perform its obligations under existing indebtedness or become insolvent or were liquidated, secured creditors would be entitled to payment in full from the proceeds of the sale of the pledged assets prior to any proceeds being paid to other creditors or to any holders of the Company's securities. In such an event, it is possible that the Company would have insufficient assets remaining to make payments to a holder of the Company's securities. In addition, the existing financing documents contain restrictive covenants which limit the ability to incur indebtedness, make prepayments of indebtedness, pay dividends, make investments, engage in transactions with affiliates, issue or sell capital stock of subsidiaries, create liens, sell assets, acquire or transfer property and engage in mergers and acquisitions. These covenants may significantly restrict the Company's operational and financial flexibility and may restrict its ability to obtain additional financing or pursue other business activities that may be beneficial.

THE LOSS OF KEY PERSONNEL COULD HARM OPERATIONS.

The Company is dependent on the efforts of Steven Roth, its Chief Executive Officer, and Michael D. Fascitelli, its President. While the Company believes that it could find replacements for these individuals, the loss of their services could harm operations.

THE COMPANY MIGHT FAIL TO QUALIFY OR REMAIN QUALIFIED AS A REAL ESTATE INVESTMENT TRUST.

Although the Company believes that Alexander's, Inc. will remain organized and will continue to operate so as to qualify as a REIT for federal income tax purposes, it might fail to remain qualified in this way. Qualification as a REIT for federal income tax purposes is governed by highly technical and complex provisions of the Internal Revenue Code for which there are only limited judicial or administrative interpretations. Qualification as a REIT also depends on various facts and circumstances that are not entirely within the control of the Company. In addition, legislation, new regulations, administrative interpretations or court decisions might significantly change the tax laws with respect to the requirements for qualification as a REIT or the federal income tax consequences of qualification as a REIT.

In order to qualify and maintain its qualification as a REIT for federal income tax purposes, the Company is required, among other conditions, to distribute as dividends to its stockholders at least 90% of annual REIT taxable income. As of December 31, 2004, the Company had reported net operating loss carryovers ("NOLs") of $49,211,000, which generally would be available to offset the amount of REIT taxable income that it otherwise would be required to distribute. However, the NOLs reported on the tax returns are not binding on the Internal Revenue Service and are subject to adjustment as a result of future audits. In addition, under Section 382 of the Internal Revenue Code, the ability to use the Company's NOLs could be limited if, generally, there are significant changes in the ownership of the Company's outstanding stock. Since its reorganization as a REIT commencing in 1995, the Company has not paid regular dividends and does not believe that it will be required to, and may not, pay regular dividends until the NOLs have been fully utilized.

LIMITS ON CHANGES IN CONTROL MAY DISCOURAGE TAKEOVER ATTEMPTS BENEFICIAL TO STOCKHOLDERS.

Provisions in the Company's certificate of incorporation and by laws, as well as provisions of the Internal Revenue Code and Delaware corporate law, may delay or prevent a change of control over the Company or a tender offer, even if such action might be beneficial to stockholders, and limit the stockholders' opportunity to receive a potential premium for their shares of common stock over then prevailing market prices.

Stock Ownership Limit - Primarily to facilitate maintenance of its qualification as a REIT, the Company's certificate of incorporation generally prohibits ownership, directly, indirectly or beneficially, by any single stockholder of more than 9.9% of the outstanding shares of preferred stock of any series or 4.9% of outstanding common stock.

The Board of Directors may waive or modify these ownership limits with respect to one or more persons if it is satisfied that ownership in excess of these limits will not jeopardize the Company's status as a REIT for federal income tax purposes. In addition, the Board of Directors has, subject to certain conditions and limitations, exempted Vornado and certain of its affiliates from these ownership limitations. Shares owned in violation of these ownership limits will be subject to the loss of rights and other restrictions. These ownership limits may have the effect of inhibiting or impeding a change in control.

THE NUMBER OF SHARES OF ALEXANDER'S, INC. COMMON STOCK AND THE MARKET FOR THOSE SHARES GIVE RISE TO VARIOUS RISKS.

ALEXANDER'S, INC. HAS OUTSTANDING AND EXERCISABLE OPTIONS TO PURCHASE ITS COMMON STOCK. THE EXERCISE OF THESE OPTIONS COULD DECREASE THE MARKET PRICE OF THE SHARES OF COMMON STOCK CURRENTLY OUTSTANDING.

As of December 31, 2004, 92,000 options were outstanding and exercisable at a weighted-average exercise price of $70.38. Additionally, 1,745,000 shares are available for future grant under the terms of the Company's Omnibus Stock Plan. The Company cannot predict the impact that future exercises of outstanding options or grants of additional options would have on the market price of its common stock.

CHANGES IN MARKET CONDITIONS COULD DECREASE THE MARKET PRICE OF THE COMPANY'S SECURITIES.

The value of the Company's securities depends on various market conditions, which may change from time to time. Among the market conditions that may affect the value of the Company's shares are the following: the extent of institutional investor interest in Alexander's, Inc., the reputation of REITs generally and the attractiveness of their equity securities in comparison to other equity securities, including securities issued by other real estate companies, and fixed income securities, the Company's NOLs which are generally available to offset the amount of the REIT taxable income that the Company otherwise would be required to distribute as dividends, the Company's financial condition and performance, the Company's ability to complete the Lexington Avenue development project on a timely basis and for the budgeted amount, prevailing interest rates, and general financial market conditions.

ITEM 2. PROPERTIES

The following table shows the location, ownership, approximate size and leasing status of each of the Company's properties as of December 31, 2004.

Property	Ownership	Land Area	Building Area/ Number of Floors	Average Annualized Base Rent Per Square Foot	Percent Leased	Significant Tenants	Square Footage Leased
OPERATING PROPERTIES							
731 Lexington Avenue Office and Retail	Owned	84,420 sq. ft.	1,052,000/31	$ 61.08	84.9%	Bloomberg L.P.	697,000
						The Home Depot	83,000(1)
						The Container Store	34,000
						Hennes & Mauritz	27,000
Residential Condominiums			248,000/24				
			1,300,000/55				
Kings Plaza Regional Shopping Center Brooklyn, New York	Owned	24.3 acres	759,000(2)(3)/ 2 and 4	36.31	98.1%	Sears	289,000
						123 Mall tenants	455,000
Rego Park I Queens Boulevard and 63rd Road .. Queens, New York	Owned	4.8 acres	351,000(2)/3	32.18	100.0%	Sears	195,000
						Circuit City	50,000
						Bed Bath & Beyond	46,000
						Marshalls	39,000
Routes 4 and 17 Paramus, New Jersey	Owned	30.3 acres	N/A, Ground Lease	N/A, Ground Lease	100.0%	IKEA Property, Inc.	N/A, Ground Lease
Roosevelt Avenue and Main Street Queens, New York	Leased (4)	44,975 sq. ft.	177,000(2) /4		0%		
			2,587,000				
PROPERTY TO BE DEVELOPED							
Rego Park II Adjacent to Rego Park I Queens, New York	Owned	10 acres					

Property	Lease Expiration/ Option Expiration
OPERATING PROPERTIES	
731 Lexington Avenue Office and Retail	2030/2040
	2025/2035
	2021
	2020
Residential Condominiums	
Kings Plaza Regional Brooklyn, New York	2023/2033
	Various
Rego Park I Queens Boulevard and 63rd Road Queens, New York	2021/2031
	2021
	2013/2021
Routes 4 and 17 Paramus, New Jersey	2008/2021
Roosevelt Avenue and Main Street Flushing, New York	2041
PROPERTY TO BE DEVELOPED	
Rego Park II Adjacent to Rego Park I Queens, New York	

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(1) Excludes 14,800 square feet of the mezzanine space.

(2) Excludes parking garages.

(3) Excludes the 339,000 square foot Macy's store, owned and operated by Federated Department Stores, Inc. ("Federated").

(4) Leased to the Company through January 2027. The rent under the lease is as follows: $331,000 per year from February 1997 through January 2007, $220,000 per year from February 2007 through January 2017, and $147,000 per year from February 2017 through January 2027.

For details of encumbrances-see descriptions of properties which follows.

Operating Properties

731 Lexington Avenue

The 731 Lexington Avenue property which comprises the entire square block bounded by Lexington Avenue, East 59th Street, Third Avenue and East 58th Street and is situated in the heart of one of Manhattan's busiest business and shopping districts, with convenient access to several subway and bus lines. The property is located directly across the street from Bloomingdale's flagship store and only a few blocks away from Fifth Avenue and 57th Street.

731 Lexington Avenue is a 1.3 million square foot multi-use building. The building contains approximately 885,000 net rentable square feet of office space, approximately 174,000 net rentable square feet of retail space and approximately 248,000 net saleable square feet of residential space consisting of 105 condominium units (through a taxable REIT subsidiary ("TRS")). Of the construction budget of $630,000,000 (which excludes $29,000,000 for development and guarantee fees to Vornado), $489,400,000 has been expended through December 31, 2004 and an additional $23,500,000 has been committed to at December 31, 2004. The remaining construction is expected to be completed by the end of 2005.

At December 31, 2004, the Company has leased 697,000 square feet of office space to Bloomberg L.P. and 144,000 square feet of retail space to, among others, The Home Depot (excluding 14,800 square feet of the mezzanine also leased to The Home Depot), Hennes & Mauritz and The Container Store. On January 25, 2005, the Company leased an additional 176,000 square feet of office space to Citibank N.A. As a result, 100% of the property's 885,000 square feet of office space has been leased.

The residential space is comprised of 105 condominium units. The original offering plan filed for these units, as amended for price increases through December 31, 2004, would produce an aggregate sale price of approximately $500,000,000 (reflecting the value of existing contracts and the offering price for the remaining units). As of December 31, 2004, the Company has received deposits of $64,060,000 on sales of the condominium units.

On January 24, 2005, the condominium offering plan was declared effective by the State of New York at which time 83 units were under sales contract. Accordingly, the Company will recognize approximately $38,000,000 of income after taxes in 2005 from these sales for the units under contract. In the first quarter of 2005, $32,000,000 of this income will be recognized using the percentage of completion method.

On February 13, 2004, the Company closed a $400,000,000 mortgage financing on the office space. The loan bears interest at 5.33%, matures in February 2014 and beginning in the third year, provides for principal payments based on a 25-year amortization schedule such that over the remaining eight years of the loan, ten years of amortization will be paid. Of the loan proceeds, $253,529,000 was used to repay the entire amount outstanding under the previously existing Construction Loan.

The Construction Loan was modified on February 13, 2004, so that the remaining availability was $237,000,000, which was approximately the amount estimated to complete the 731 Lexington Avenue project at the closing date (not including the development and guarantee fees to Vornado). The interest rate on the Construction Loan of LIBOR plus 2.5% (4.92% at December 31, 2004) and the maturity date of January 2006, with two one-year extensions, were not changed. The collateral for the Construction Loan is the same except that the office space has been removed from the lien. Further, the Construction Loan permits the release of the retail space for a payment of $15 million and requires all proceeds from the sale of the residential condominium units to be applied to the Construction Loan balance until it is finally repaid. Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of 731 Lexington Avenue and funding of project costs in excess of a stated loan budget, if not funded by the Company. If Vornado should advance any funds under the Completion Guarantee in excess of $21,000,000, which was the amount available at December 31, 2004 under the line of credit with Vornado, interest on those advances would be at 15% per annum.

While the project is nearing completion, there can be no assurance that the remainder of the project will be completed on time or completed for the budgeted amount. Any failure to complete the 731 Lexington Avenue project on time or within budget may adversely affect future cash flows, funds from operations and financial condition.

Kings Plaza Regional Shopping Center

The Kings Plaza Regional Shopping Center (the "Center") contains 1,098,000 square feet and is comprised of a two-level mall (the "Mall") containing 470,000 square feet and two four-level anchor stores. One of the anchor stores is owned by the Company and leased to Sears, while the other anchor store is owned and operated as a Macy's store by Federated. The Center occupies a 24.3 acre site at the intersection of Flatbush Avenue and Avenue U in Brooklyn, New York. Among the Center's features are a marina, a five-level parking garage and an energy plant that generates all of the Center's electrical power. The Company completed renovations of the interior of the Mall in 2001 and the exterior of the Mall in 2002.

The Company plans to construct a two-story freestanding building adjacent to the Mall of approximately 200,000 square feet. The first story of approximately 120,000 square feet will be operated as a Lowe's Home Improvement Warehouse ("Lowe's"). The Lowe's lease is expected to commence in 2006. The cost of the project will be approximately $21 million, net of the Lowe's reimbursement and before reimbursement, if any, from the second story tenant(s). The Company's plans may change and these can be no assurance that this project will be completed, completed on time or completed for the budgeted amount.

The following table sets forth lease expirations for the Mall tenants in the Center for the next ten years, assuming none of the tenants exercise renewal options.

			Annual Fixed Rent of Expiring Leases			
Year	Number of Leases Expiring	Square Feet of Expiring Leases	Total	Per Square Feet	Percent of Total Leased Square Feet	Percent of 2004 Gross Annual Base Rentals
2005	9	43,300	$ 634,203	$14.65	9.5%	2.8%
2006	16	87,947	2,734,485	31.09	19.4%	12.1%
2007	15	48,326	2,569,830	53.18	10.6%	11.4%
2008	9	15,791	1,052,015	66.62	3.5%	4.7%
2009	16	69,144	4,089,639	59.15	15.2%	18.1%
2010	9	21,464	1,422,347	66.27	4.7%	6.3%
2011	12	38,265	2,208,055	57.70	8.4%	9.8%
2012	13	49,330	2,464,465	49.96	10.9%	10.9%
2013	13	39,440	2,441,125	61.89	8.7%	10.8%
2014	7	31,133	1,967,954	63.21	6.9%	8.7%
2015	3	7,457	446,109	59.82	1.6%	2.0%
2016	1	2,950	118,000	40.00	0.6%	0.5%

The following table sets forth the occupancy rate and the average annual rent per square foot for the Mall stores for each of the past five years.

As of December 31,	Occupancy Rate	Average Annual Base Rent Per Square Foot
2004	97%	$ 49.65
2003	98%	47.95
2002	97%	45.59
2001	96%	45.97
2000	91%	44.66

The Center is encumbered by a first mortgage loan with a balance of $213,699,000 at December 31, 2004. The loan matures in June 2011 and bears interest at 7.46%.

Rego Park I

The Rego Park I property, located in Queens, New York, encompasses the entire block fronting on Queens Boulevard and bounded by 63rd Road, 62nd Drive, 97th Street and Junction Boulevard. The existing 351,000 square foot building was redeveloped in 1996 and is fully leased to Sears, Circuit City, Bed Bath & Beyond, Marshalls and Old Navy. In conjunction with the redevelopment, a multi-level parking structure was constructed to provide paid parking spaces for approximately 1,200 vehicles.

The property is encumbered by a first mortgage loan with a balance of $81,661,000 at December 31, 2004. The loan matures in June 2009 and bears interest at 7.25%.

Paramus

The Company owns 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey. The Company's property is located directly across from the Garden State Plaza regional shopping mall and is within two miles of three other regional shopping malls and ten miles of New York City. This land is leased to IKEA Property, Inc. The lease has a 40-year term with a purchase option at the end of the twentieth year for $75,000,000. Further, the Company has a $68,000,000 interest only, non-recourse mortgage loan on the property from a third party lender. The fixed interest rate on the debt is 5.92% with interest payable monthly until maturity in October 2011. The triple-net rent each year is the sum of $700,000 plus the amount of debt service on the mortgage loan. If the purchase option is not exercised at the end of the twentieth year, the triple-net rent for the last 20 years must include debt service sufficient to fully amortize $68,000,000 over the remaining 20-year lease term.

Flushing

The Flushing property is located on Roosevelt Avenue and Main Street in the downtown, commercial section of Flushing, Queens, New York. Roosevelt Avenue and Main Street are active shopping districts and there are many national retailers located in the area. A subway entrance is located directly in front of the property with bus service across the street. The property comprises a vacant four-floor building containing 177,000 square feet and a parking garage.

The Company is currently in negotiations with various retailers to lease all or a portion of the property.

Property to Be Developed

Rego Park II

The Company owns two land parcels containing approximately 10 acres adjacent to its Rego Park I property in Queens, New York. One parcel comprises the entire square block bounded by the Horace Harding Service Road, 97th Street, 62nd Drive and Junction Boulevard. The other is a parcel of approximately one-half square block at the intersection of Junction Boulevard and the Horace Harding Service Road. Both parcels are zoned for residential use, while commercial uses are permitted as-of-right only on the smaller parcel. Each parcel is currently being used for paid public parking.

The Company is considering the development of two projects at its Rego Park II property. One project is a mixed-use, three-level development containing approximately 600,000 square feet of retail space, a multi-level parking garage and up to 450,000 square feet of residential space. This project is subject to governmental approvals including rezoning of the larger parcel. The current plans for the other parcel may consist of up to 80,000 square feet of retail. It is anticipated that neither of these projects will commence prior to 2006. There can be no assurance that these projects will be completed, completed on time or completed for the budgeted amount.

Other Encumbrances

At December 31, 2004, the Company was indebted to Vornado in the amount of $124,000,000, comprised of (i) a $95,000,000 note and (ii) $29,000,000 under a $50,000,000 line of credit. The loans are collateralized by, among other things, a pledge given by the Company of its interests in the entities holding (a) the Lexington Avenue property, (b) the Flushing property and (c) the Rego Park II property.

Insurance

The Company carries comprehensive liability and all-risk property insurance (fire, flood, extended coverage and rental loss insurance) with respect to its assets, but is at risk for financial loss in excess of the policies' limits. Such a loss could be material.

Pursuant to the Terrorism Risk Insurance Act of 2002, regulated insurers must offer coverage through 2005 in their commercial property policies for losses resulting from defined "acts of terrorism." As a result of the legislation, since June 2003, the Company has maintained $500,000,000 of coverage per occurrence for certified terrorist acts, as defined in the legislation, and $200,000,000 per occurrence for non-certified acts. The Company is at risk for financial loss in excess of these limits, which loss could be material.

The Company's debt instruments, consisting of mortgage loans secured by its properties (which are generally non-recourse to the Company), contain customary covenants requiring the Company to maintain insurance. There can be no assurance that the lenders under these instruments will not take the position that a future exclusion from all-risk insurance coverage for losses due to terrorist acts is a breach of these debt instruments, allowing the lenders to declare an event of default and accelerate repayment of debt. In addition, if lenders insist on coverage for these risks and the Company is unable to obtain coverage if the Terrorism Risk Insurance Act of 2002 is not extended, it may adversely affect the Company's ability to finance and/or refinance its properties and businesses.

ITEM 3. 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.

For discussion concerning environmental matters, see "Item 1. Business -- Environmental Matters".

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of the year ended December 31, 2004.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the names, ages, principal occupations and positions with the Company of the executive officers of the Company and the positions held by such officers during the past five years.

NAME	AGE	PRINCIPAL OCCUPATIONS AND OFFICES (CURRENT AND DURING THE PAST FIVE YEARS WITH THE COMPANY UNLESS OTHERWISE STATED)
Steven Roth	63	Chairman of the Board of Directors since May 2004 and Chief Executive Officer since March 1995; Chairman of the Board and Chief Executive Officer of Vornado Realty Trust since May 1989; Chairman of Vornado Realty Trust's Executive Committee of the Board since April 1980; and a trustee of Vornado Realty Trust since 1979; and Managing General Partner of Interstate Properties.
Michael D. Fascitelli	48	President since August 2000; Director of the Company and President and trustee of Vornado Realty Trust since December 1996; Partner at Goldman Sachs & Co., in charge of its real estate practice, from December 1992 to December 1996; and, prior thereto, Vice President at Goldman Sachs & Co.
Stephen Mann	69	Chief Operating Officer since May 2004; Chairman of the Board of Directors from March 1995 to May 2004; Interim Chairman of the Board of Directors from August 1994 to March 1995; Chief Executive Officer of Prescott Funding Company since January 2003; and Chairman of the Clifford Companies from 1990 to January 2003.
Joseph Macnow	59	Executive Vice President and Chief Financial Officer since June 2002; Executive Vice President - Finance and Administration from March 2001 to June 2002; Vice President and Chief Financial Officer from August 1995 to March 2001; Executive Vice President - Finance and Administration of Vornado Realty Trust since January 1998 and Chief Financial Officer of Vornado Realty Trust since March 2001; and Vice President and Chief Financial Officer of Vornado Realty Trust from 1985 to January 1998.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is listed on the New York Stock Exchange under the symbol "ALX." The transfer agent and registrar for the common stock is Wachovia Bank, N.A. Set forth below are the high and low sales prices for the shares of common stock for each full quarterly period within the two most recent years.

	YEAR ENDED DECEMBER 31,			
	2004		2003	
QUARTER	HIGH	LOW	HIGH	LOW
First	$ 162.45	$ 124.91	$ 66.98	$ 61.40
Second	172.00	146.00	86.90	63.75
Third	203.50	164.00	106.50	83.20
Fourth	230.05	195.00	126.00	102.50

As of February 4, 2005, there were approximately 1,100 holders of record of the Company's common stock. The Company pays dividends only if, as and when declared by its Board of Directors. No dividends were paid in 2004 and 2003. In order to qualify as a real estate investment trust, the Company generally is required to distribute 90% of its taxable income as a dividend. At December 31, 2004, the Company had net operating loss carryovers ("NOLs") of approximately $49,211,000. Under the Internal Revenue Code of 1986, as amended, the Company's NOLs generally would be available to offset the amount of the Company's taxable income (excluding income from taxable REIT subsidiaries) that otherwise would be required to be distributed as a dividend to stockholders.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected financial and operating data. This data should be read in conjunction with the consolidated financial statements and notes thereto and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K. This data may not be comparable to, or indicative of, future operating results.

	YEAR ENDED DECEMBER 31,				
(amounts in thousands, except per share data)	2004	2003	2002	2001	2000
Total revenues	$ 148,895	$ 87,162	$ 76,800	$ 67,792	$ 62,696
(Loss) income from continuing operations	$ (37,331)(1)	$ (18,948)(1)	$ 12,400	$ 7,414	$ 4,425
Gain on sale of real estate	3,862	--	--	19,026	--
Income from discontinued operations	--	1,206	11,184	946	772
Net (loss) income	$ (33,469)	$ (17,742)	$ 23,584	$ 27,386	$ 5,197
Net (loss) income per common share (basic and diluted):					
(Loss) income from continuing operations	$ (7.45)	$ (3.79)	$ 2.48	$ 1.48	$ 0.89
Gain on sale of real estate	0.77	--	--	3.81	--
Income from discontinued operations	--	0.24	2.24	0.19	0.15
Net (loss) income	$ (6.68)	$ (3.55)	$ 4.72	$ 5.48	$ 1.04
Balance sheet data:					
Total assets	$ 1,244,801	$ 920,996	$ 664,912	$ 583,339	$ 403,305
Real estate, net	881,079	763,802	542,975	377,961	343,612
Debt	952,528	731,485	543,807	515,831	367,788
Stockholders' equity	18,368	50,923	68,665	45,081	17,695

(1) Includes accruals of $76,789 and $44,917 in 2004 and 2003, respectively, for compensation expense for stock appreciation rights due to increases in the Company's stock price.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company is a real estate investment trust ("REIT") engaged in leasing, managing, developing and redeveloping properties. Alexander's activities are conducted through its manager, Vornado Realty Trust ("Vornado"). Alexander's has six properties in the greater New York City metropolitan area including the 731 Lexington Avenue property, a 1,300,000 square foot multi-use building in Manhattan, and the Kings Plaza Regional Shopping Center located in Brooklyn.

The Company competes with a large number of real estate property owners and developers. The Company success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants, the availability and cost of capital, interest rates, construction and renovation costs, taxes, governmental regulations and legislation, population trends, zoning laws, and the ability of the Company to lease, sublease or sell its properties, including the condominium units at 731 Lexington Avenue, at profitable levels. The Company's success is also subject to its ability to refinance existing debts as they come due and on acceptable terms.

In 2004, the Company continued to phase-in components of its 731 Lexington Avenue property in to operations; as a result revenues, expenses and cash flow provided from operating activities increased substantially over the previous year. See "Results of Operations and Liquidity and Capital Resources" for further details.

CRITICAL ACCOUNTING POLICIES

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. Set forth below is a summary of the accounting policies that management believes are critical to the preparation of the Company's consolidated financial statements. This summary should be read in conjunction with the more complete discussion of the Company's accounting policies included in Note 2 to the consolidated financial statements included in this Annual Report on Form 10-K.

Real Estate - Real estate is carried at cost, net of accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the assets' estimated useful lives, which range from seven to 50 years. Betterments, significant renewals and certain costs directly related to the acquisition, improvement and leasing of real estate are capitalized. Maintenance and repairs are charged to operations as incurred. As real estate is undergoing development activities, all property operating expenses, including interest expense, are capitalized to the cost of the real property to the extent that management believes such costs are recoverable through the value of the property. The recognition of depreciation expense requires estimates by management of the useful life of each property and improvement, as well as an allocation of the costs associated with a property, including capitalized costs, to its various components. If the Company does not allocate these costs appropriately or incorrectly estimates the useful lives of its real estate, depreciation expense could be misstated.

As construction of the 731 Lexington Avenue property progresses and as components of the building are placed into service, the Company is no longer capitalizing property operating expenses, including interest expense, and beginning to expense these items, as well as depreciation, for those components. The office and retail components of the building will be fully placed in service by March 31, 2005.

The Company's properties are reviewed for impairment if events or circumstances change, indicating that the carrying amount of the property may not be recoverable. In such an event, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future on an undiscounted basis to the carrying amount of the property. The carrying amount of an asset would be adjusted, if necessary, to reflect an impairment in the value of the asset. If the Company incorrectly estimates undiscounted cash flows, impairment charges may be different. The impact of such estimates in connection with future impairment analyses could be material to the Company's consolidated financial statements.

Allowance for Doubtful Accounts - The Company periodically evaluates the collectibility of amounts due from tenants and maintains an allowance for doubtful accounts for estimated losses resulting from the inability of tenants to make required payments under the lease agreements. The Company also maintains an allowance for receivables arising from the straight-lining of rents. This receivable arises from earnings recognized in excess of amounts currently due under the lease agreements. Management exercises judgment in establishing these allowances and considers payment history and current credit status in developing these estimates.

Revenue Recognition - The Company has the following revenue sources and revenue recognition policies:

Base rent (revenue arising from tenant leases) - These rents are recognized over the non-cancelable term of the related leases on a straight-line basis, which includes the effects of rent steps and free rent abatements under the leases.

Percentage Rents (revenue arising from retail tenant leases that is contingent upon the sales of tenants exceeding defined thresholds) - These rents are recognized in accordance with Staff Accounting Bulletin No. 104, Revenue Recognition, which states that this contingent revenue is only to be recognized after the contingency has been removed (i.e., the sales threshold has been achieved).

Expense Reimbursements (revenue arising from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of the respective properties) - This revenue is accrued in the same periods as the expenses are incurred.

Condominium Sales (income arising from the sales of condominium units at the Lexington Avenue property) - Income on deposits received for sales of condominium units has been deferred in accordance with the deposit method of SFAS No. 66, Accounting for Sales of Real Estate.

The Company assesses, among other things, the collectibility of revenue before recognition. If the Company incorrectly assesses collectibility of revenue, net earnings and assets could be misstated.

Income Taxes - The Company operates in a manner intended to enable it to continue to qualify as a real estate investment trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). Under the Code, the Company's net operating loss carryovers ("NOLs") generally would be available to offset the amount of the Company's REIT taxable income that would otherwise be required to be distributed as dividends to its stockholders.

The Company has elected to treat its wholly owned subsidiary, 731 Residential LLC ("Residential"), as a taxable REIT subsidiary ("TRS"). A TRS is subject to income tax at regular corporate tax rates. The Company's NOLs will not be available to offset taxable income of Residential. Residential owns the assets comprising the residential condominium units at the Company's 731 Lexington Avenue property. Residential paid no income taxes in the years ended December 31, 2004, 2003 and 2002. TRS deferred income taxes, where applicable, are accounted for in accordance with SFAS 109 "Accounting For Income Taxes" using the asset and liability method. Under this method, deferred income taxes are recognized for temporary differences between the financial reporting basis of assets and liabilities and their respective tax basis and for operating loss and tax credit carryforwards based on enacted tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including tax planning strategies and other factors.

Stock Appreciation Rights - SARs are granted at 100% of the market price of the Company's common stock on the date of grant. SARs vest ratably, becoming fully vested 36 months after grant, and generate compensation expense measured by the excess of the stock price over the exercise price at the balance sheet date. On subsequent balance sheet dates, if the stock price falls, the previously recognized expense is reversed, but not below zero.

Recently Issued Accounting Literature - On December 16, 2004, the FASB issued SFAS No. 153: Exchanges of Nonmonetary Assets - An Amendment of APB Opinion No. 29. The amendments made by SFAS No. 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have "commercial substance." SFAS No. 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not believe the adoption of SFAS No. 153 will have a material effect on the Company's consolidated financial statements.

On December 16, 2004, the FASB issued SFAS No. 123: (Revised 2004) - Share-Based Payment ("SFAS No. 123R"). SFAS 123R replaces SFAS No. 123, using the prospective method, and supersedes APB Opinion No. 25: Accounting for Stock Issued to Employees. SFAS No. 123R requires that the compensation cost relating to share-based payment transactions be recognized in financial statements and be measured based on the fair value of the equity or liability instruments issued. SFAS No. 123R is effective as of the first interim or annual reporting period that begins after June 15, 2005. The Company does not believe that the adoption of SFAS No. 123R will have a material effect on the Company's consolidated financial statements.

RESULTS OF OPERATIONS

Years Ended December 31, 2004 and December 31, 2003

The Company had a net loss of $33,469,000 for the year ended December 31, 2004, compared to a net loss of $17,742,000 in the prior year. The net loss for 2004 includes (i) an accrual of $76,789,000 for compensation expense for stock appreciation rights ("SARs"), (ii) expense of $3,050,000 from the write-off of unamortized deferred debt expense in connection with the reduction of the principal amount of the construction loan for the 731 Lexington Avenue project, and (iii) income of $3,862,000 from the sale of land in White Plains, New York. The net loss for 2003 includes (i) an accrual of $44,917,000 for SARs, (ii) $1,289,000 resulting from the recognition as income of the non-refundable deposit from the planned sale of the Flushing property of $1,875,000, net of $586,000 for costs associated with this transaction, and (iii) income from discontinued operations of $1,206,000 representing the reversal of previously accrued contingent liabilities.

Property rentals were $110,541,000 in 2004, compared to $56,785,000 in 2003, an increase of $53,756,000. The following table details the increase by property:

TENANT	DELIVERY DATE	INCREASE
731 Lexington Avenue;		
Bloomberg L.P.	Various	$ 40,771,000
The Home Depot	Mar. 29, 2004	6,086,000
Hennes & Mauritz	May 15, 2004	3,622,000
Other tenants	Various	2,687,000
		53,166,000
Other properties		590,000
		$ 53,756,000

Tenant expense reimbursements were $38,354,000 in 2004, compared to $30,377,000 in 2003, an increase of $7,977,000. This increase was largely due to reimbursements from Bloomberg L.P.

Operating expenses were $47,615,000 in 2004, compared to $37,984,000 in 2003, an increase of $9,631,000. This increase resulted primarily from operating expenses at 731 Lexington Avenue of $9,435,000.

General and administrative expenses were $81,285,000 in 2004, compared to $48,921,000 in 2003, an increase of $32,364,000. This primarily resulted from the increase in the accrual for SARs compensation expense.

Depreciation and amortization expense was $15,527,000 in 2004, compared to $7,497,000 in 2003, an increase of $8,030,000. This increase was due to depreciation on the space delivered to tenants at 731 Lexington Avenue, as noted above.

Interest and other income, net was $1,571,000 in 2004, compared to $1,983,000 in 2003, a decrease of $412,000. This decrease was due to $1,289,000 recognized in 2003 representing a non-refundable deposit from the planned sale of the Flushing property, offset by an increase in interest income from higher average cash balances in 2004.

Interest and debt expense was $40,320,000 in 2004, compared to $13,691,000 in 2003, an increase of $26,629,000. This increase resulted from (i) lower amounts of capitalized interest in the current year because of placing portions of 731 Lexington Avenue in service (interest of $25,087,000 has been capitalized in 2004, as compared to $37,516,000 in 2003) and (ii) an increase in average debt outstanding of $266,853,000, primarily due to the 731 Lexington Avenue office financing of $400,000,000, partially offset by a decline in average interest rates of 0.83%.

Years Ended December 31, 2003 and December 31, 2002

Property rentals were $56,785,000 in 2003, compared to $50,630,000 in 2002, an increase of $6,155,000. This increase resulted primarily from recognizing rent of $5,081,000 from the lease with Bloomberg L.P., which took possession of 87% of the 695,000 square feet under the lease on November 15, 2003.

Tenant expense reimbursements were $30,377,000 in 2003, compared to $26,170,000 in 2002, an increase of $4,207,000. The increase was largely due to higher reimbursements as real estate taxes, insurance and repairs and maintenance also increased.

Operating expenses were $37,984,000 in 2003, compared to $33,042,000 in 2002, an increase of $4,942,000. Of this increase, (i) $1,541,000 resulted primarily from higher fuel costs for the utility plant at the Company's Kings Plaza Regional Shopping Center and (ii) $373,000 resulted from bad debt expense this year as compared to a bad debt recovery in the prior year. The balance of the increase was due to higher real estate taxes, insurance and repairs and maintenance, which were billed to tenants.

General and administrative expenses were $48,921,000 in 2003, compared to $3,980,000 in 2002, an increase of $44,941,000. This increase resulted from an accrual of $44,917,000 of compensation expense for SARs based on the Company's closing stock price of $124.66 at December 31, 2003. There was no SARs compensation expense in 2002.

Depreciation and amortization expense was $7,497,000 in 2003, compared to $6,668,000 in 2002, an increase of $829,000. The increase was largely due to depreciation commencing on November 15, 2003 for space delivered to Bloomberg L.P.

Interest and other income, net was $1,983,000 in 2003, compared to $2,178,000 in 2002, a decrease of $195,000. This decrease is largely attributable to lower average cash balances in 2003 due to greater expenditures for the Lexington Avenue project and lower yields on cash investments primarily offset by $1,289,000 resulting from the recognition as income of the non-refundable deposit from the planned sale of the Flushing property of $1,875,000, net of $586,000 for costs associated with this transaction. Also, 2002 results include a non-recurring gain of $169,000 resulting from the sale of air rights.

Interest and debt expense was $13,691,000 in 2003, compared to $22,888,000 in 2002, a decrease of $9,197,000. This decrease primarily resulted from (i) higher capitalized interest in 2003 for the Lexington Avenue property (interest of $37,516,000 was capitalized in 2003, as compared to $23,788,000 in 2002) and (ii) a decrease in average interest rates from 8.23% to 7.47%, partially offset by (iii) an increase in average debt of $94,991,000.

RELATIONSHIP WITH VORNADO REALTY TRUST

The Company is managed, and its properties are leased and developed, by Vornado pursuant to agreements with one-year terms, expiring in March of each year, which are automatically renewable except for the 731 Lexington Avenue property which provides for a term lasting until substantial completion of the development of the property.

Management Agreements

The annual fee payable to Vornado for management of the Company is equal to the sum of (i) $3,000,000 and, (ii) 3% of gross income from the Kings Plaza Regional Shopping Center, and (iii) 6% of development costs with minimum guaranteed fees of $750,000 per annum.

Leasing Agreements

Vornado also provides all leasing services for the Company for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event of the sale of an asset, the fee is 3% of the gross proceeds, as defined. Such amounts are payable annually in an amount not to exceed $2,500,000, until the present value of such installments, calculated at a discount rate of 9% per annum, equals the amount that would have been paid had they been paid at the time the transactions which gave rise to the commissions occurred. Pursuant to the leasing agreement, in the event third party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third party real estate brokers, except in connection with the Bloomberg L.P. lease, where the tenant paid the third party broker directly.

731 Lexington Avenue Fees

Pursuant to management agreements discussed above, Vornado is entitled to a development fee for the construction of the Company's 731 Lexington Avenue project, estimated to be $26,300,000 payable on the earlier of January 3, 2006 or the date of payment in full of the construction loan encumbering the property. Further, Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of the 731 Lexington Avenue project and funding of project costs in excess of a stated budget, if not funded by the Company (the "Completion Guarantee"). The fee payable by the Company to Vornado for the Completion Guarantee is 1% of construction costs, as defined. This fee is estimated to be $6,300,000 and is due at the same time that the development fee is due. In addition, if Vornado should advance any funds under the Completion Guarantee in excess of $21,000,000, which was the amount available at December 31, 2004 under the line of credit with Vornado (see "Debt and Contractual Obligations"), interest on those advances would be at 15% per annum.

On May 27, 2004, Alexander's entered into an agreement with Vornado under which it provides property management services at 731 Lexington Avenue for an annual fee of $0.50 per square foot of the tenant-occupied office and retail space. Further, the Company entered into an agreement with Building Maintenance Services ("BMS"), a wholly-owned subsidiary of Vornado, to supervise the cleaning, engineering and security at the 731 Lexington Avenue property for an annual fee of 6% of costs for such services. In addition, in October 2004, the Company entered into an agreement with BMS to provide the same services at the Kings Plaza Regional Shopping Center. These agreements were negotiated and approved on behalf of the Company by a committee of directors of the Company unaffiliated with Vornado.

At December 31, 2004, the Company owed Vornado (i) $18,635,000 for development fees, (ii) $23,748,000 for leasing fees, (iii) $4,894,000 for the guarantee fee, (iv) $537,000 for interest, and (v) $1,411,000 for management fees and property management and cleaning fees.

The following table shows the amounts incurred under the management, leasing and development agreements.

(amounts in thousands)	YEAR ENDED DECEMBER 31, 2004	2003	2002
Company management fees...........................	$ 3,000	$ 3,000	$ 3,000
Development fee, guarantee fee and rent for development office..............................	5,955	10,292	10,769
Leasing fees.....................................	12,156	17,919	3,056
Property management fees and payments for cleaning, engineering and security services.....	2,481	887	602
	$ 23,592	$ 32,098	$ 17,427

At December 31, 2004, in addition to the fees and costs described above, the Company was indebted to Vornado in the amount of $124,000,000 (see " - Debt and Contractual Obligations").

In July 2002, Alexander's Tower LLC, a wholly owned subsidiary of the Company, purchased 28,821 square feet of air rights from a joint venture developing a property at Lexington Avenue and 30th Street in Manhattan, and owned by Vornado and an unrelated third party (the "30th Street Venture") for a purchase price of $3,459,000 ($120 per square foot). The Company purchased these air rights in order to increase the amount of square footage that it could develop for the residential portion of its Lexington Avenue project to the maximum amount permitted for residential use by the New York City zoning code. The 30th Street Venture also identified third party buyers for an additional 28,111 square feet of air rights which it owned. These third party buyers desired to use the air rights for the development of two projects located in upper Manhattan in the general area of 86th Street. However, the air rights held by the 30th Street Venture could not be transferred to the applicable sites because they were not within the required geographical limited radius nor were they in the same Community Board District as the 30th Street Venture. The 30th Street Venture asked the Company to sell 28,111 square feet of its existing air rights to these third party buyers, who could use them; the 30th Street Venture would replace them with 28,111 square feet of the 30th Street Venture's air rights. In October 2002, the Company purchased 28,111 square feet of air rights from the 30th Street Venture in two transactions for an aggregate purchase price of $3,058,000 (an average of $109 per square foot). The Company then sold an equal amount of air rights it previously owned at the Lexington Avenue project to the third party buyers for a sales price of $3,339,000, resulting in a gain of $169,000. This gain is included in "Interest and other income, net" in the Company's 2002 consolidated statement of operations.

LIQUIDITY AND CAPITAL RESOURCES

The Company anticipates that cash from operations over the next twelve months, together with existing cash balances, will be adequate to fund its business operations, recurring capital expenditures, and debt amortization. Capital requirements for the completion of the 731 Lexington Avenue project (currently estimated to be $150,000,000) may be funded from either existing cash, proceeds from the sale of condominium units, additional borrowings and/or the Company's construction loan.

Development Projects

731 LEXINGTON AVENUE

As of December 31, 2004, the Company has received deposits of $64,060,000 on sales of the condominium units in the building. On January 24, 2005, the condominium offering plan was declared effective by the State of New York at which time 83 units were under sales contract. The Company expects to close on these sales during 2005. Net proceeds after income taxes from these sales will be approximately $310,000,000 (including the deposits received).

KINGS PLAZA

The Company plans to construct a two-story freestanding building adjacent to the Mall of approximately 200,000 square feet. The first story of approximately 120,000 square feet will be operated as a Lowe's Home Improvement Warehouse ("Lowe's"). The Lowe's lease is expected to commence in 2006. The cost of the project will be approximately $21 million, net of the Lowe's reimbursement and before reimbursement, if any, from the second story tenant(s). There can be no assurance that this project will be completed, completed on time or completed for the budgeted amount.

Insurance

The Company carries comprehensive liability and all-risk property insurance (fire, flood, extended coverage and rental loss insurance) with respect to its assets but is at risk for financial loss in excess of the policies' limits. Such a loss could be material.

Pursuant to the Terrorism Risk Insurance Act of 2002, regulated insurers must offer coverage through 2005 in their commercial property policies for losses resulting from defined "acts of terrorism." As a result of the legislation, since June 2003, the Company has maintained $500,000,000 of coverage per occurrence for certified terrorist acts, as defined in the legislation, and $200,000,000 per occurrence for non-certified acts. The Company is at risk for financial loss in excess of these limits, which loss could be material.

The Company's debt instruments, consisting of mortgage loans secured by its properties (which are generally non-recourse to the Company), contain customary covenants requiring the Company to maintain insurance. There can be no assurance that the lenders under these instruments will not take the position that a future exclusion from all-risk insurance coverage for losses due to terrorist acts is a breach of these debt instruments, allowing the lenders to declare an event of default and accelerate repayment of debt. In addition, if lenders insist on coverage for these risks and the Company is unable to obtain coverage if the Terrorism Risk Insurance Act of 2002 is not extended, it may adversely affect the Company's ability to finance and/or refinance its properties and businesses.

Debt and Contractual Obligations

Below is a summary of the Company's properties and their encumbrances at December 31, 2004:

(amounts in thousands except interest rates)	BALANCE	INTEREST RATE	MATURITY
Lexington Avenue Office	$ 400,000	5.33%	Feb. 2014
Lexington Avenue Construction..........	65,168	4.92%	Jan. 2006
Kings Plaza...........................	213,699	7.46%	June 2011
Rego Park I...........................	81,661	7.25%	June 2009
Paramus...............................	68,000	5.92%	Oct. 2011
Rego Park II (raw land)...............	--	N/A	N/A
Flushing (leasehold interest)..........	--	N/A	N/A
Loans with Vornado(1).................	124,000	9.00%	Jan. 2006
	$ 952,528		

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(1) At December 31, 2004, the Company was indebted to Vornado in the amount of $124,000, comprised of (i) a $95,000 note and (ii) $29,000 under a $50,000 line of credit (which carries a 1% unused commitment fee). The current interest rate on the loan and line of credit is 9.00% and resets quarterly using a 6.00% spread to one-year treasury with a 3% floor for treasuries. On July 3, 2002, in conjunction with the original closing of the Construction Loan, the maturity of the Vornado debt was extended to the earlier of January 3, 2006 or the date the Construction Loan is finally repaid. This loan bears interest at a variable rate. The rate shown is as of December 31, 2004.

Below is a summary of the Company's contractual obligations at December 31, 2004.

(amounts in thousands)	Total	Less than One Year	One to Two Years	Three to Five Years	More than Five Years
Contractual obligations					
Long-term debt obligations............	$1,428,641	$ 240,798	$ 108,867	$ 195,732	$ 883,244
Operating lease obligations...........	5,679	416	731	638	3,894
Purchase obligations, primarily construction commitments...........	23,500	23,500(1)	--	--	--
Other obligations.....................	174,455	124,207(2)	34,000(3)	5,000	11,248
	$1,632,275	$ 388,921	$ 143,598	$ 201,370	$ 898,386
Commitments					
Standby letters of credit...........	$ 4,130	$ 4,130	$ --	$ --	$ --

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(1) The construction budget for the Lexington Avenue project is $630,000 (which excludes $29,000 of development and guarantee fees to Vornado) of which $489,400 has been expended through December 31, 2004 and an additional $23,500 has been committed to at December 31, 2004.

(2) This amount includes $121,706 for SARs expense based on the Company closing stock price of $215.00 at December 31, 2004.

(3) This amount primarily represents the estimated development and guarantee fees due to Vornado for the Lexington Avenue project. These fees are to be paid upon the earlier of January 3, 2006 or the payment in full of the Construction Loan encumbering the property.

Stock Appreciation Rights

As of December 31, 2004, 850,000 SARs were outstanding and exercisable at a weighted-average exercise price of $71.82. The agreements for these SARs require that they be settled in cash. Had the holders of these SARs chosen to exercise their rights as of December 31, 2004, the Company would have had to pay $121,706,000 in cash. Further appreciation in the Alexander's, Inc. stock price from the closing stock price of $215.00 at December 31, 2004 will increase the cash the Company would have to pay upon exercise and may impact liquidity by requiring the Company to secure additional borrowings to replace such a cash outflow.

CASH FLOWS

Year Ended December 31, 2004

Net cash provided by operating activities of $27,853,000 was comprised of (i) the net change in operating assets and liabilities of $86,643,000, partially offset by (ii) a net loss of $33,469,000 and (iii) non-cash items of $25,321,000. The adjustments for non-cash items were comprised of (a) the effect of straight-lining of rental income of $43,327,000, (b) the gain on sale of real estate of $3,862,000, partially offset by (c) $18,818,000 of depreciation and amortization and (d) $3,050,000 resulting from the write-off of unamortized deferred debt expense.

Net cash used in investing activities of $138,942,000 was comprised of (i) capital expenditures of $146,232,000, partially offset by (ii) net cash restricted for operating liabilities of $2,996,000 and (iii) proceeds from the sale of real estate of $4,294,000. The capital expenditures were primarily related to the 731 Lexington Avenue project.

Net cash provided by financing activities of $218,627,000 resulted primarily from (i) borrowings collateralized by 731 Lexington Avenue of $477,798,000, partially offset by (ii) debt repayments of $256,755,000 and (iii) debt issuance costs of $3,330,000.

Year Ended December 31, 2003

Net cash provided by operating activities of $7,023,000 was comprised of (i) non-cash items of $4,568,000 and (ii) the net change in operating assets and liabilities of $20,197,000, partially offset by (iii) a net loss of $17,742,000. The adjustments for non-cash items include depreciation and amortization of $11,310,000, partially offset by the effect of straight-lining of rental income of $6,742,000.

Net cash used in investing activities of $218,604,000 was largely comprised of capital expenditures of $215,158,000. The capital expenditures are primarily related to the Lexington Avenue development project.

Net cash provided by financing activities of $187,678,000 resulted from borrowings of $190,399,000, mainly to fund expenditures for the Lexington Avenue development project, offset by debt repayments of $2,721,000.

Year Ended December 31, 2002

Net cash provided by operating activities of $7,643,000 was comprised of (i) net income of $23,584,000, partially offset by (ii) non-cash items of $4,600,000 and (iii) the net change in operating assets and liabilities of $11,341,000. The adjustments for non-cash items include (a) the gain on the sale of the Third Avenue property of $10,366,000, (b) the effect of straight-lining of rental income of $3,099,000 and (c) the gain on the sale of air rights of $169,000, partially offset by depreciation and amortization of $9,034,000.

Net cash used in investing activities of $114,028,000 (includes cash provided by discontinued operations of $13,176,000) was largely comprised of capital expenditures of $133,250,000, partially offset by the proceeds from the sale of the Third Avenue property of $13,176,000. The capital expenditures were primarily related to the Lexington Avenue development project.

Net cash provided by financing activities of $16,366,000 resulted mainly from debt proceeds of $55,500,000, partially offset by debt repayments of $27,524,000 and debt issuance costs of $11,110,000.

FUNDS FROM OPERATIONS ("FFO") FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

FFO was a negative $18,014,000, or $3.60 per share in the year ended December 31, 2004, compared to a negative $10,245,000, or $2.05 per share in the year ended December 31, 2003. FFO for the year ended December 31, 2004 includes (i) accrued compensation expense for SARs of $76,789,000, based on the Company's closing stock price of $215.00 at December 31, 2004, (ii) $3,862,000 resulting from the gain on the sale of non-depreciable real estate in White Plains, New York and (iii) $3,050,000 resulting from the write-off of unamortized deferred debt expense in connection with the reduction of the principal amount of the Construction Loan for the 731 Lexington Avenue project. FFO for the year ended December 31, 2003 includes (i) accrued compensation expense for SARs of $44,917,000, based on the Company's closing stock price of $124.66 at December 31, 2003, (ii) $1,289,000 resulting from the recognition as income of the non-refundable deposit from the planned sale of the Flushing property of $1,875,000, net of $586,000 for costs associated with this transaction and (iii) income from discontinued operations of $1,206,000 representing the reversal of previously accrued contingent liabilities.

The following table reconciles Net loss to FFO.

(amounts in thousands except per share amounts)	FOR THE YEAR ENDED DECEMBER 31, 2004	FOR THE YEAR ENDED DECEMBER 31, 2003
Net loss	$ (33,469)	$ (17,742)
Depreciation of real property	15,455	7,497
FFO	$ (18,014)	$ (10,245)
FFO per common share - basic and diluted	$ (3.60)	$ (2.05)

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 income or loss determined in accordance with generally accepted accounting principles 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 is used by management, investors and industry analysts as a supplemental measure of operating performance of equity REITs. FFO should be evaluated along with GAAP net earnings and net 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 is helpful to investors as a supplemental performance measure because this measure excludes the effect of depreciation, amortization and gains or losses from sales of 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 have instead 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 Statements of Cash Flows. FFO should not be considered as an alternative to net loss as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following table summarizes the Company's exposure to a change in interest rates.

(amounts in thousands except per share amounts)

	AT DECEMBER 31, 2004	WEIGHTED-AVERAGE INTEREST RATE	EFFECT OF CHANGE IN BASE RATES OF 1%
Variable rate.............	$ 189,168	7.59%	$ 1,892
Fixed rate................	763,360	6.18%	--
	$ 952,528		$ 1,892
Total effect on the Company's annual net earnings per share - diluted...................			$ 0.38

The fair value of the Company's debt, estimated by discounting the future cash flows using the current rates available to borrowers with similar credit ratings for the remaining terms of such debt, exceeds the aggregate carrying amount by approximately $1,095,000 at December 31, 2004. Such fair value estimates are not necessarily indicative of the amounts that would be paid upon liquidation of the Company's debt.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Alexander's, Inc.
Paramus, New Jersey

We have audited the accompanying consolidated balance sheets of Alexander's, Inc. (the "Company") as of December 31, 2004 and 2003, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the financial statement schedules included in the index at item 15(a)(2). These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Alexander's, Inc. at December 31, 2004 and 2003, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2005 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting and an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

DELOITTE & TOUCHE LLP
Parsippany, New Jersey
February 24, 2005

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(amounts in thousands except share and per share amounts)

	DECEMBER 31, 2004	DECEMBER 31, 2003
ASSETS		
Real estate, at cost:		
Land	$ 91,677	$ 91,496
Buildings, leaseholds and leasehold improvements	466,593	371,353
Construction in progress	379,306	346,166
Air rights for 731 Lexington Avenue	17,531	17,531
Total	955,107	826,546
Accumulated depreciation and amortization	(74,028)	(62,744)
Real estate, net	881,079	763,802
Asset held for sale	--	432
Cash and cash equivalents	128,874	21,336
Deposits on the sale of condominiums units and restricted cash	66,930	16,291
Accounts receivable, net of allowance for doubtful accounts of $379 and $55	4,872	3,101
Receivable arising from the straight-lining of rents	70,739	27,412
Deferred lease and other property costs (including unamortized leasing fees to Vornado of $38,819 and $31,021), net	68,148	61,594
Deferred debt expense, net	15,027	10,806
Other assets	9,132	16,222
TOTAL ASSETS	$ 1,244,801	$ 920,996
LIABILITIES AND STOCKHOLDERS' EQUITY		
Debt (including $124,000 due to Vornado in 2004 and 2003)	$ 952,528	$ 731,485
Amounts due to Vornado	49,225	34,427
Accounts payable and accrued expenses	37,706	47,402
Liability for stock appreciation rights	121,706	44,917
Other liabilities	65,268	11,842
TOTAL LIABILITIES	1,226,433	870,073
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock: $1.00 par value per share; 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	25,685	24,843
(Accumulated deficit) retained earnings	(11,603)	21,866
	19,256	51,883
Treasury shares: 159,600 and 172,600 shares at cost	(888)	(960)
Total stockholders' equity	18,368	50,923
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,244,801	$ 920,996

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands except per share amounts)

	YEAR ENDED DECEMBER 31,		
	2004	2003	2002
REVENUES			
Property rentals	$110,541	$56,785	$50,630
Expense reimbursements	38,354	30,377	26,170
Total revenues	148,895	87,162	76,800
EXPENSES			
Operating (including fees to Vornado of $1,937, $1,475 and $1,442)	47,615	37,984	33,042
General and administrative (including fees to Vornado of $2,160 in each year)	81,285	48,921	3,980
Depreciation and amortization	15,527	7,497	6,668
Total expenses	144,427	94,402	43,690
OPERATING INCOME (LOSS)	4,468	(7,240)	33,110
Interest and other income, net	1,571	1,983	2,178
Interest and debt expense (including interest on loans from Vornado)	(40,320)	(13,691)	(22,888)
Write-off of unamortized deferred debt expense	(3,050)	--	--
(Loss) income from continuing operations	(37,331)	(18,948)	12,400
Gain on sale of real estate	3,862	--	--
(Loss) income before discontinued operations	(33,469)	(18,948)	12,400
Income from discontinued operations	--	1,206	11,184
NET (LOSS) INCOME	$(33,469)	$(17,742)	$ 23,584
Net (loss) income per common share (basic and diluted):			
(Loss) income from continuing operations	$ (7.45)	$ (3.79)	$ 2.48
Gain on sale of real estate	0.77	--	--
Income from discontinued operations	--	0.24	2.24
Net (loss) income	$ (6.68)	$ (3.55)	$ 4.72

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(amounts in thousands)

	COMMON STOCK	ADDITIONAL CAPITAL	RETAINED EARNINGS (ACCUMULATED DEFICIT)	TREASURY SHARES	TOTAL STOCKHOLDERS' EQUITY
Balance, January 1, 2002............	$ 5,174	$ 24,843	$ 16,024	$ (960)	$ 45,081
Net income..........................	--	--	23,584	--	23,584
Balance, December 31, 2002..........	5,174	24,843	39,608	(960)	68,665
Net loss	--	--	(17,742)	--	(17,742)
Balance, December 31, 2003..........	5,174	24,843	21,866	(960)	50,923
Net loss............................	--	--	(33,469)	--	(33,469)
Common shares issued under share option plan................	--	842	--	72	914
Balance, December 31, 2004..........	$ 5,174	$ 25,685	$ (11,603)	$ (888)	$ 18,368

See notes to consolidated financial statements

ALEXANDER'S, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	YEAR ENDED DECEMBER 31,		
	2004	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) income from continuing operations:	$ (33,469)	$ (18,948)	$ 12,400
Adjustments to reconcile (loss) income from continuing operations to net cash provided by continuing operations:			
Write-off of unamortized deferred debt expense	3,050	--	--
Gain on sale of real estate	(3,862)	--	--
Depreciation and amortization (including debt issuance costs)	18,818	11,310	8,999
Straight-lining of rental income	(43,327)	(6,742)	(3,099)
Gain on sale of air rights	--	--	(169)
Change in operating assets and liabilities:			
Accounts receivable, net	(1,771)	(593)	(974)
Amounts due to Vornado	9,977	14,012	(3,115)
Accounts payable and accrued expenses	5,564	(379)	(2,845)
Liability for stock appreciation rights	76,789	44,917	--
Other liabilities	(210)	(33,725)	(789)
Other	(3,706)	(2,829)	(3,618)
Net cash provided by continuing operations	27,853	7,023	6,790
Income from discontinued operations	--	1,206	11,184
Depreciation and amortization	--	--	35
Change in other liabilities	--	(1,206)	--
Gain on sale of Third Avenue property	--	--	(10,366)
Net cash provided by discontinued operations	--	--	853
Net cash provided by operating activities	27,853	7,023	7,643
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash flows from continuing operations:			
Additions to real estate	(146,232)	(215,158)	(133,250)
Cash restricted for operating liabilities	2,996	(3,446)	4,171
Net proceeds from sale of real estate	4,294	--	--
Deposit on sale of Flushing property	--	--	1,875
Net cash used in continuing operations	(138,942)	(218,604)	(127,204)
Cash flows from discontinued operations:			
Net proceeds from sale of Third Avenue property	--	--	13,176
Net cash used in investing activities	(138,942)	(218,604)	(114,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings (including $5,000 from Vornado in 2003)	477,798	190,399	55,500
Repayments of borrowings	(256,755)	(2,721)	(27,524)
Deferred debt expense	(3,330)	--	(11,110)
Exercise of share options	914	--	--
Payment of acquisition obligation	--	--	(500)
Net cash provided by financing activities	218,627	187,678	16,366
Net increase (decrease) in cash and cash equivalents	107,538	(23,903)	(90,019)
Cash and cash equivalents at beginning of year	21,336	45,239	135,258
Cash and cash equivalents at end of year	$ 128,874	$ 21,336	$ 45,239
SUPPLEMENTAL INFORMATION			
Cash payments for interest (of which $25,087, $37,516 and $23,788 have been capitalized)	$ 60,968	$ 46,861	$ 45,818

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

Alexander's, Inc. (the "Company") is a real estate investment trust ("REIT"), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping properties. Alexander's activities are conducted through its manager, Vornado Realty Trust ("Vornado").

Alexander's has six properties in the greater New York City metropolitan area consisting of:

Operating properties

(i) the 731 Lexington Avenue property, a 1,300,000 square foot multi-use building which comprises the entire square block bounded by Lexington Avenue, East 59th Street, Third Avenue and East 58th Street in Manhattan, New York;

(ii) the Kings Plaza Regional Shopping Center, located on Flatbush Avenue in Brooklyn, New York, which contains 1,098,000 square feet and is comprised of a two-level mall containing 470,000 square feet, a 289,000 square foot department store leased to Sears and another anchor department store owned and operated as a Macy's by Federated Department Stores, Inc.;

(iii) the Rego Park I property, located on Queens Boulevard and 63rd Road in Queens, New York, which contains a 351,000 square foot building that is 100% leased to Sears, Circuit City, Bed Bath & Beyond, Marshalls and Old Navy;

(iv) the Paramus property, which consists of 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey, which is leased to IKEA Property, Inc;

(v) the Flushing property, located at Roosevelt Avenue and Main Street in Queens, New York, which contains a 177,000 square foot building that is currently vacant; and

Property to be developed

(vi) the Rego Park II property, which comprises one and one-half square blocks of vacant land adjacent to the Rego Park I property.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying consolidated financial statements include the accounts of the Company and all of its wholly owned subsidiaries. All significant intercompany amounts have been eliminated. 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.

The Company defines each of its properties as an individual operating segment. It has determined that all properties have similar economic characteristics and meet the other criteria which permit the properties to be aggregated into one reportable segment (the leasing, management, development and redeveloping of properties in the greater New York City metropolitan area). The Company's chief operating decision-maker assess and measure segment operating results based on a performance measure referred to as net operating income at the individual operating segment. Net operating income for each property represents its net rental revenues less its real estate operating expenses.

Real Estate - Real estate is carried at cost, net of accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over the assets' estimated useful lives, which range from seven to 50 years. Betterments, significant renewals and certain costs directly related to the acquisition, improvement and leasing of real estate are capitalized. Maintenance and repairs are charged to operations as incurred. As real estate is undergoing development activities, all property operating expenses, including interest expense, are capitalized to the cost of the real property to the extent that management believes such costs are recoverable through the value of the property.

The Company's properties are reviewed for impairment if events or circumstances change indicating that the carrying amount of the property may not be recoverable. In such an event, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future on an undiscounted basis to the carrying amount of the property. The carrying amount of an asset would be adjusted, if necessary, to reflect an impairment in the value of the asset.

Cash and Cash Equivalents - Cash and cash equivalents consist of highly liquid investments purchased with original maturities of three months or less. Cash and cash equivalents do not include deposits received on sales of condominium units at the Lexington Avenue property or cash restricted under financing arrangements. Such cash is reflected on the consolidated balance sheets as "Deposits on the sale of condominium units and restricted cash."

Allowance for Doubtful Accounts - The Company periodically evaluates the collectibility of amounts due from tenants and maintains an allowance for doubtful accounts for estimated losses resulting from the inability of tenants to make required payments under the lease agreements. The Company also maintains an allowance for receivables arising from the straight-lining of rents. This receivable arises from earnings recognized in excess of amounts currently due under the lease agreements. Management exercises judgment in establishing these allowances and considers payment history and current credit status in developing these estimates.

Deferred Charges - Direct financing costs are deferred and amortized over the terms of the related agreements as a component of interest and debt expense. Direct costs related to leasing activities are capitalized and amortized on a straight-line basis over the lives of the related leases. All other deferred charges are amortized on a straight-line basis, which approximates the effective interest rate method, in accordance with the terms of the agreements to which they relate.

Fair Value of Financial Instruments - The fair value of the Company's debt, estimated by discounting the future cash flows using the current rates available to borrowers with similar credit ratings for the remaining terms of such debt, exceeds the aggregate carrying amount by approximately $1,095,000 at December 31, 2004. Such fair value estimates are not necessarily indicative of the amounts that would be paid upon liquidation of the Company's debt.

Revenue Recognition - The Company has the following revenue sources and revenue recognition policies:

Base rent (revenue arising from tenant leases) - These rents are recognized over the non-cancelable term of the related leases on a straight-line basis which includes the effects of rent steps and free rent abatements under the leases.

Percentage Rents (revenue arising from retail tenant leases that is contingent upon the sales of tenants exceeding defined thresholds) - These rents are recognized in accordance with Staff Accounting Bulletin No. 104, Revenue Recognition, which states that this contingent revenue is only to be recognized after the contingency has been removed (i.e., the sales threshold has been achieved).

Expense Reimbursements (revenue arising from tenant leases which provide for the recovery of all or a portion of the operating expenses and real estate taxes of the respective properties) - This revenue is accrued in the same periods as the expenses are incurred.

Condominium Sales (income arising from the sales of condominium units at the Lexington Avenue property) - Income on deposits received for sales of condominium units has been deferred in accordance with the deposit method of Statement of Financial Accounting Standards ("SFAS") No. 66, Accounting for Sales of Real Estate.

Income Taxes - The Company operates in a manner intended to enable it to continue to qualify as a REIT under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). Under the Code, the Company's net operating loss carryovers ("NOLs") generally would be available to offset the amount of the Company's REIT taxable income that would otherwise be required to be distributed as dividends to its stockholders.

At December 31, 2004 the Company has reported NOLs for federal tax purposes of approximately $49,211,000, expiring from 2007 to 2020. The Company also has investment and targeted jobs tax credits of approximately $2,755,000 expiring from 2008 to 2014.

The following table reconciles net (loss) income to REIT taxable income for the years ended December 31, 2004, 2003 and 2002.

	YEARS ENDED DECEMBER 31,		
(amounts in thousands)	2004	2003	2002
Net (loss) income	$(33,469)	$(17,742)	$ 23,584
Straight-line rent adjustments	(43,327)	(6,668)	(2,953)
Depreciation and amortization timing differences	1,480	2,859	2,985
Interest expense	(2,733)	(2,837)	(2,972)
Stock appreciation rights compensation expense	76,789	44,917	--
Interest income	17,684	10,439	--
Differences on gain of sale of assets	--	--	1,345
Other	(1,117)	(1,422)	988
Taxable income	15,307	29,546	22,977
NOL carry forward beginning balance	(64,518)	(94,064)	(117,041)
NOL carry forward ending balance	$(49,211)	$(64,518)	$ (94,064)

The net basis of the Company's assets and liabilities for tax purposes is approximately $13,000,000 higher than the amount reported for financial statement purposes.

The Company has elected to treat its wholly owned subsidiary, 731 Residential LLC ("Residential"), as a taxable REIT subsidiary ("TRS"). A TRS is subject to income tax at regular corporate tax rates. The Company's NOLs will not be available to offset taxable income of Residential. Residential owns the assets comprising the residential condominium units at the Company's 731 Lexington Avenue Property. Residential paid no income taxes in the years ended December 31, 2004, 2003 and 2002. TRS deferred income taxes, where applicable, are accounted for in accordance with SFAS 109 "Accounting For Income Taxes" using the asset and liability method. Under this method, deferred income taxes are recognized for temporary differences between the financial reporting bases of assets and liabilities and their respective tax bases and for operating loss and tax credit carry forwards based on enacted tax rates expected to be in effect when such amounts are realized or settled. However, deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including tax planning strategies and other factors. Residential's net basis in its assets and liabilities for tax purposes is approximately $52,000,000 higher than the amount for financial reporting purposes. In addition, the TRS has incurred certain costs for which it has not recognized an income tax benefit for financial reporting purposes. This benefit will be recorded at such time that the uncertainties with respect to the realization have been resolved.

Amounts Per Share - Basic earnings per share are computed based on weighted average shares outstanding. Diluted earnings per share consider the effect of outstanding stock options.

Stock Options - The Company accounts for stock-based compensation using the intrinsic value method. Under the intrinsic value method, compensation cost is measured as the excess, if any, of the quoted market price of the Company's common stock at the date of grant over the exercise price of the option granted. Compensation cost for stock options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted market price of the Company's common stock on the grant date. Accordingly, no compensation expense has been recognized for the Company's stock options.

If compensation cost for stock option awards had been determined based on the fair values at the grant dates, net (loss) income and net (loss) income per share would have been the pro forma amounts shown below in the years ended December 31, 2004, 2003 and 2002.

(amounts in thousands except per share amounts)	YEAR ENDED DECEMBER 31, 2004	2003	2002
Net (loss) income:			
As reported	$ (33,469)	$ (17,742)	$ 23,584
Less: stock - based compensation expense determined underfair value method	--	--	384
Pro forma	$ (33,469)	$ (17,742)	$ 23,200
Net (loss) income per common share (basic and diluted):			
As reported	$ (6.68)	$ (3.55)	$ 4.72
Pro forma	$ (6.68)	$ (3.55)	$ 4.64

On December 16, 2004, the FASB issued SFAS No. 123: (Revised 2004) - Share-Based Payment ("SFAS No. 123R"). SFAS 123R replaces SFAS No. 123, using the prospective method, and supersedes APB Opinion No. 25: Accounting for Stock Issued to Employees. SFAS No. 123R requires that the compensation cost relating to share-based payment transactions be recognized in financial statements and be measured based on the fair value of the equity or liability instruments issued. SFAS No. 123R is effective as of the first interim or annual reporting period that begins after June 15, 2005. The Company does not believe that the adoption of SFAS No. 123R will have a material effect on the Company's consolidated financial statements.

Stock Appreciation Rights - Stock appreciation rights ("SARs") are granted at 100% of the market price of the Company's common stock on the date of grant. SARs vest ratably, becoming fully vested 36 months after grant, and generate compensation expense measured by the excess of the stock price over the exercise price at the balance sheet date. On subsequent balance sheet dates, if the stock price falls, the previously recognized expense is reversed, but not below zero.

Other Recently Issued Accounting Literature - On December 16, 2004, the FASB issued SFAS No. 153: Exchanges of Nonmonetary Assets - An Amendment of APB Opinion No. 29. The amendments made by SFAS No. 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have "commercial substance." SFAS No. 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The Company does not believe the adoption of SFAS No. 153 will have a material effect on the Company's consolidated financial statements.

3. RELATED PARTY TRANSACTIONS

Vornado Realty Trust

The Company is managed, and its properties are leased and developed, by Vornado pursuant to agreements with one-year terms, expiring in March of each year, which are automatically renewable except for the 731 Lexington Avenue property which provides for a term lasting until substantial completion of the development of the property.

Management Agreements

The annual fee payable to Vornado for management of the Company is equal to the sum of (i) $3,000,000, (ii) 3% of gross income from the Kings Plaza Regional Shopping Center, and (iii) 6% of development costs with minimum guaranteed fees of $750,000 per annum.

Leasing Agreements

Vornado also provides all leasing services for the Company for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event of the sale of an asset, the fee is 3% of the gross proceeds, as defined. Such amounts are payable annually in an amount not to exceed $2,500,000, until the present value of such installments, calculated at a discount rate of 9% per annum, equals the amount that would have been paid had they been paid at the time the transactions which gave rise to the commissions occurred. Pursuant to the leasing agreement, in the event third party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third party real estate brokers, except in connection with the Bloomberg L.P. lease, where the tenant paid the third party broker directly.

731 Lexington Avenue Fees

Pursuant to the management agreements discussed above, Vornado is entitled to a development fee for the construction of the Company's 731 Lexington Avenue project, estimated to be $26,300,000, payable on the earlier of January 3, 2006 or the date of payment in full of the construction loan encumbering the property. Further, Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of the 731 Lexington Avenue project and funding of project costs in excess of a stated budget, if not funded by the Company (the "Completion Guarantee"). The fee payable by the Company to Vornado for the Completion Guarantee is 1% of construction costs, as defined. This fee is estimated to be $6,300,000 and is due at the same time that the development fee is due. In addition, if Vornado should advance any funds under the Completion Guarantee in excess of $21,000,000, which was the amount available at December 31, 2004 under the line of credit with Vornado (see "Debt and Contractual Obligations"), interest on those advances would be at 15% per annum.

On May 27, 2004, Alexander's entered into an agreement with Vornado under which it provides property management services at 731 Lexington Avenue for an annual fee of $0.50 per square foot of the tenant-occupied office and retail space. The Company entered into an agreement with Building Maintenance Services ("BMS"), a wholly-owned subsidiary of Vornado, to supervise the cleaning, engineering and security at the 731 Lexington Avenue property for an annual fee of 6% of costs for such services. In addition, in October 2004, the Company entered into an agreement with BMS to provide the same services at the Kings Plaza Regional Shopping Center. These agreements were negotiated and approved on behalf of the Company by a committee of directors of the Company unaffiliated with Vornado.

In July 2002, Alexander's Tower LLC, a wholly owned subsidiary of the Company, purchased 28,821 square feet of air rights from a joint venture developing a property at Lexington Avenue and 30th Street in Manhattan, and owned by Vornado and an unrelated third party (the "30th Street Venture") for a purchase price of $3,459,000 ($120 per square foot). The Company purchased these air rights in order to increase the amount of square footage that it could develop for the residential portion of its Lexington Avenue project to the maximum amount permitted for residential use by the New York City zoning code. The 30th Street Venture also identified third party buyers for an additional 28,111 square feet of air rights which it owned. These third party buyers desired to use the air rights for the development of two projects located in upper Manhattan in the general area of 86th Street. However, the air rights held by the 30th Street Venture could not be transferred to the applicable sites because they were not within the required geographical limited radius nor were they in the same Community Board District as the 30th Street Venture. The 30th Street Venture asked the Company to sell 28,111 square feet of its existing air rights to these third party buyers, who could use them; the 30th Street Venture would replace them with 28,111 square feet of the 30th Street Venture's air rights. In October 2002, the Company purchased 28,111 square feet of air rights from the 30th Street Venture in two transactions for an aggregate purchase price of $3,058,000 (an average of $109 per square foot). The Company then sold an equal amount of air rights it previously owned at the Lexington Avenue project to the third party buyers for a sales price of $3,339,000, resulting in a gain of $169,000. This gain is included in "Interest and other income, net" in the Company's 2002 consolidated statement of operations.

At December 31, 2004, the Company owed Vornado (i) $18,635,000 for development fees, (ii) $23,748,000 for leasing fees, (iii) $4,894,000 for the guarantee fee, (iv) $537,000 for interest, and (v) $1,411,000 for management fees and property management and cleaning fees.

The following table shows the amounts incurred under the management, leasing and development agreements.

	YEAR ENDED DECEMBER 31,		
(amounts in thousands)	2004	2003	2002
Company management fees	$ 3,000	$ 3,000	$ 3,000
Development fee, guarantee fee and rent for development office	5,955	10,292	10,769
Leasing fees	12,156	17,919	3,056
Property management fees and payments for cleaning, engineering and security services	2,481	887	602
	$ 23,592	$ 32,098	$ 17,427

In addition to the fees and costs described above, the Company was indebted to Vornado in the amount of $124,000,000 at December 31, 2004 and 2003 and $119,000,000 at December 31, 2002 (see Note 8). The Company incurred interest (including a 1% unused commitment fee on the line of credit) on this debt of $12,650,000, $15,633,000 and $15,547,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

Other

In the years ended December 31, 2004, 2003 and 2002, Winston & Strawn LLP, a law firm in which Neil Underberg, a director of the Company, is of counsel, performed legal services for the Company for which it was paid $323,000, $100,000 and $480,000, respectively.

4. 731 LEXINGTON AVENUE PROPERTY

731 Lexington Avenue is a 1.3 million square foot multi-use building. The building contains approximately 885,000 net rentable square feet of office space, approximately 174,000 net rentable square feet of retail space and approximately 248,000 net saleable square feet of residential space consisting of 105 condominium units (through a taxable REIT subsidiary ("TRS")). Of the construction budget of $630,000,000 (which excludes $29,000,000 for development and guarantee fees to Vornado), $489,400,000 has been expended through December 31, 2004 and an additional $23,500,000 has been committed to at December 31, 2004. The remaining construction is expected to be completed by the end of 2005.

At December 31, 2004, the Company has leased 697,000 square feet of office space to Bloomberg L.P. and 144,000 square feet of retail space to, among others, The Home Depot (excluding 14,800 square feet of the mezzanine also leased to The Home Depot), Hennes & Mauritz and The Container Store. On January 25, 2005, the Company leased an additional 176,000 square feet of office space to Citibank N.A. As a result, 100% of the property's 885,000 square feet of office space has been leased.

The residential space is comprised of 105 condominium units. The original offering plan filed for these units, as amended for price increases through December 31, 2004, would produce an aggregate sale price of approximately $500,000,000 (reflecting the value of existing contracts and the offering price for the remaining units). As of December 31, 2004, the Company has received deposits of $64,060,000 on sales of the condominium units.

On January 24, 2005, the condominium offering plan was declared effective by the State of New York at which time 83 units were under sales contract. Accordingly, the Company will recognize approximately $38,000,000 of income after taxes in 2005 from these sales for the units under contract. In the first quarter of 2005, $32,000,000 of this income will be recognized using the percentage of completion method.

During the year ended December 31, 2004, the Company transferred approximately $94,800,000 from "Construction in progress" to "Land" and "Buildings, leaseholds and leasehold improvements," representing the space delivered to tenants and placed into service during such period.

On February 13, 2004, the Company closed a $400,000,000 mortgage financing on the office space. The loan bears interest at 5.33%, matures in February 2014 and beginning in the third year, provides for principal payments based on a 25-year amortization schedule such that over the remaining eight years of the loan, ten years of amortization will be paid. Of the loan proceeds, $253,529,000 was used to repay the entire amount outstanding under the previously existing Construction Loan.

The Construction Loan was modified on February 13, 2004, so that the remaining availability was $237,000,000, which was approximately the amount estimated to complete the 731 Lexington Avenue project at the closing date (not including the development and guarantee fees to Vornado). The interest rate on the Construction Loan of LIBOR plus 2.5% (4.92% at December 31, 2004) and the maturity date of January 2006, with two one-year extensions, were not changed. The collateral for the Construction Loan is the same except that the office space has been removed from the lien. Further, the Construction Loan permits the release of the retail space for a payment of $15 million and requires all proceeds from the sale of the residential condominium units to be applied to the Construction Loan balance until it is finally repaid. In connection with reducing the principal amount of the Construction Loan, the Company wrote-off $3,050,000, the proportionate share of unamortized deferred financing costs, in the first quarter of 2004 (shown in the Consolidated Statement of Operations as "Write-off of unamortized deferred debt expense"). Vornado has agreed to guarantee to the construction lender, the lien free, timely completion of the construction of 731 Lexington Avenue and funding of project costs in excess of a stated loan budget, if not funded by the Company. If

Vornado should advance any funds under the Completion Guarantee in excess of $21,000,000, which was the amount available at December 31, 2004 under the line of credit with Vornado, interest on those advances would be at 15% per annum.

While the project is nearing completion, there can be no assurance that the remainder of the project will be completed on time or completed for the budgeted amount. Any failure to complete the 731 Lexington Avenue project on time or within budget may adversely affect future cash flows, funds from operations and financial condition.

5. GAIN ON SALE OF LAND

On August 12, 2004, the Company sold 1.29 acres of land in White Plains, New York for $4,500,000, resulting in a gain of $3,862,000. The Company paid a commission of $135,000 to Vornado, which is included in the expenses relating to the sale.

6. LEASES

As Lessor

The Company leases space to tenants in retail centers and an office building. The rental terms range from approximately five to 25 years. The leases provide for the payment of fixed base rents payable monthly in advance as well as reimbursements of real estate taxes, insurance and maintenance costs. Retail leases also provide for the payment by the lessee of additional rents based on a percentage of their sales.

Future base rental revenue under these non-cancelable operating leases (other than leases which have not commenced, including the lease with Citibank, N.A.) is as follows:

(amounts in thousands) Year Ending December 31,	
2005	$ 91,774
2006	90,030
2007	87,427
2008	90,229
2009	85,817
Thereafter	1,403,068

These future minimum amounts do not include additional rents based on a percentage of tenants' sales. For the years ended December 31, 2004, 2003 and 2002, these rents were $911,000, $945,000 and $977,000, respectively.

Bloomberg L.P. and Sears accounted for 36% and 11% of the Company's consolidated revenues for the year ended December 31, 2004, and Sears accounted for 18% and 19% in 2003 and 2002, respectively. No other tenant accounted for more than 10% of revenues.

As Lessee

The Company is a tenant under long-term leases. Future minimum lease payments under these operating leases are as follows:

(amounts in thousands) Year Ending December 31,	
2005	$ 416
2006	416
2007	315
2008	315
2009	323
Thereafter	3,894

Rent expense was $416,000 for each of the years ended December 31, 2004, 2003 and 2002.

7. DISCONTINUED OPERATIONS

On August 30, 2002, the Company sold its Third Avenue property, located in Bronx, New York. The 173,000 square foot property was sold for $15,000,000, resulting in a gain of $10,366,000. Included in the expenses relating to the sale, the Company paid a commission of $600,000, of which $350,000 was paid to Vornado.

Discontinued operations reflect the Third Avenue property and the reversal of liabilities:

	YEAR ENDED DECEMBER 31,		
(amounts in thousands)	2004	2003	2002
Total revenues......................................	$ --	$ --	$ 1,198
Less: total expenses................................	--	--	380
	--	--	818
Reversal of previously accrued contingent liabilities	--	1,206	--
Gain on sale of Third Avenue property................	--	--	10,366
Income from discontinued operations..................	$ --	$ 1,206	$ 11,184

8. DEBT

The following is a summary of the Company's outstanding debt.

(amounts in thousands except for percentages)	MATURITY	INTEREST RATE AT DECEMBER 31, 2004	BALANCE AT DECEMBER 31, 2004	2003
First mortgage, secured by the 731 Lexington Avenue office space (see Note 4)...............	Feb. 2014	5.33%	$ 400,000	$ --
Construction loan, secured by the Lexington Avenue property (see Note 4)...................	Jan. 2006	4.92%	65,168	240,899
First mortgage, secured by the Kings Plaza Regional Shopping Center (1)...................	June 2011	7.46%	213,699	216,586
Term loan and line of credit to Vornado (2)......	Jan. 2006	9.00%	124,000	124,000
First mortgage, secured by the Rego Park I Shopping Center (3)............................	June 2009	7.25%	81,661	82,000
First mortgage, secured by the Paramus property..	Oct. 2011	5.92%	68,000	68,000
			$ 952,528	$ 731,485

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(1) This mortgage loan, which is an obligation of a wholly owned subsidiary, bears interest at a fixed rate of 7.46% and provides for monthly principal payments based on a 27-year amortization schedule.

(2) At December 31, 2004 and 2003, the Company was indebted to Vornado in the amount of $124,000, comprised of (i) a $95,000 note and (ii) $29,000 under a $50,000 line of credit (which carries a 1% unused commitment fee). The current interest rate on the loan and line of credit is 9.00% and resets quarterly using a 6.00% spread to one-year treasury with a 3% floor for treasuries. On July 3, 2002, in conjunction with the original closing of the Construction Loan, the maturity of the Vornado debt was extended to the earlier of January 3, 2006 or the date the Lexington Avenue Construction Loan is finally repaid.

The Company's wholly owned subsidiary, Residential, is the borrower with respect to $40,000 of these loans, which are guaranteed by the Company. The Company is the borrower for the remaining $84,000. The existing collateral for each of these loans is (i) back-up guaranties given by the Company's wholly owned subsidiaries, Alexander's of Rego Park II, Inc. ("Rego II"), Alexander's of Rego Park III, Inc. ("Rego III") and Alexander's of Flushing, Inc. ("Flushing"), (ii) a pledge given by the Company of its interest in the entities holding the commercial parcel of the Lexington Avenue property, Residential, Rego II, Rego III and Flushing, (iii) a lockbox agreement between the Company and Vornado, giving Vornado a security interest and springing control of the Company's corporate bank account into which, among other things, any distributions to the Company from its subsidiaries owning the Kings Plaza Shopping Center, the Rego Park I Shopping Center, and the Paramus property are deposited, and (iv) unrecorded mortgages on the Rego II and Rego III properties given by such entities to secure their guaranties.

(3) This mortgage loan, which is an obligation of a wholly owned subsidiary and is guaranteed by the Company, bears interest at a fixed rate of 7.25%. The amortization of principal begins in July 2004 based on a 30-year schedule.

At December 31, 2004, the principal repayments for the next five years and thereafter are as follows:

(amounts in thousands)
Year Ending December 31,

2005	$ 3,895
2006	200,134
2007	14,088
2008	14,850
2009	93,304
Thereafter	626,257

All of the Company's debt is secured by mortgages and/or pledges of the stock of the subsidiaries holding the properties. The net carrying value of real estate collateralizing the debt amounted to $881,079,000 at December 31, 2004.

The Company's existing financing documents contain restrictive covenants which limit the ability to incur indebtedness, make prepayments of indebtedness, pay dividends, make investments, engage in transactions with affiliates, issue or sell capital stock of subsidiaries, create liens, sell assets, acquire or transfer property and engage in mergers and acquisitions.

9. COMMITMENTS AND CONTINGENCIES

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.

Insurance

The Company carries comprehensive liability and all-risk property insurance (fire, flood, extended coverage and rental loss insurance) with respect to its assets but is at risk for financial loss in excess of the policies' limits. Such a loss could be material.

Pursuant to the Terrorism Risk Insurance Act of 2002, regulated insurers must offer coverage through 2005 in their commercial property policies for losses resulting from defined "acts of terrorism." As a result of the legislation, since June 2003, the Company has maintained $500,000,000 of coverage per occurrence for certified terrorist acts, as defined in the legislation, and $200,000,000 per occurrence for non-certified acts. The Company is at risk for financial loss in excess of these limits, which loss could be material.

The Company's debt instruments, consisting of mortgage loans secured by its properties (which are generally non-recourse to the Company), contain customary covenants requiring the Company to maintain insurance. There can be no assurance that the lenders under these instruments will not take the position that a future exclusion from all-risk insurance coverage for losses due to terrorist acts is a breach of these debt instruments, allowing the lenders to declare an event of default and accelerate repayment of debt. In addition, if lenders insist on coverage for these risks and the Company is unable to obtain coverage if the Terrorism Risk Insurance Act of 2002 is not extended, it may adversely affect the Company's ability to finance and/or refinance its properties and businesses.

Environmental Remediation

In June 1997, the Kings Plaza Regional Shopping 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 Phase II Study indicated 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, which is ongoing. The New York State Department of Environmental Conservation ("NYDEC") has approved a portion of the remediation approach. The Company accrued $2,675,000 in previous years, of which $2,550,000 has been paid as of December 31, 2004, for its estimated obligation with respect to the cleanup of the site, and which includes costs of (i) remedial investigation, (ii) feasibility studies, (iii) remedial design, (iv) remedial action and (v) professional fees. Costs of future expenditures for these environmental remediation obligations were not discounted to their present value. If NYDEC insists on a more extensive remediation approach, the Company could incur additional obligations.

The Company has concluded that the large majority of the contamination at the site is historic and the result of past activities of third parties. Although the Company is pursuing claims against potentially responsible third parties, and negotiations are ongoing with a former owner of the property, there can be no assurance as to the extent that the Company will be successful in obtaining recovery from such parties of the remediation costs incurred. In addition, the costs associated with further pursuit of responsible parties may be prohibitive. The Company has not recorded an asset as of December 31, 2004 for possible recoveries of environmental remediation costs from potentially responsible third parties. On January 31, 2005, the Company received a settlement of $337,500 from one of the responsible parties.

Flushing Property

In the fourth quarter of 2003, the Company recognized $1,289,000 of income representing a non-refundable deposit of $1,875,000 from a party that had agreed to purchase the Company's Flushing property, net of $586,000 of costs associated with the transaction, as the party had not met its obligations under a May 30, 2002 purchase contract. On September 10, 2002, November 7, 2002, and July 8, 2004, the Company received letters from the party demanding return of the deposit. The Company, after consulting with its legal counsel, does not believe the party is entitled to a return of the deposit. There can be no assurance that the party will not institute legal action and, if it does, that it will not be successful in requiring the Company to return all or a portion of the deposit.

Kings Plaza

The Company plans to construct a two-story freestanding building adjacent to the Mall of approximately 200,000 square feet. The first story of approximately 120,000 square feet will be operated as a Lowe's Home Improvement Warehouse ("Lowe's"). The Lowe's lease is expected to commence in 2006. The cost of the project will be approximately $21 million, net of the Lowe's reimbursement and before reimbursement, if any, from the second story tenant(s). There can be no assurance that this project will be completed, completed on time or completed for the budgeted amount.

Letters of Credit

Approximately $4,130,000 of standby letters of credit were issued at December 31, 2004.

10. STOCK OPTIONS AND STOCK APPRECIATION RIGHTS

Under the Company's Omnibus Stock Plan (the "Plan"), originally approved by the Company's stockholders in May 1996, directors, officers and employees of the Company and Vornado, and any other person or entity as designated by the Omnibus Stock Plan Committee of the Company's Board of Directors, are eligible for grants of incentive and non-qualified options to purchase common shares. Options granted have exercise prices equal to 100% of the market price of the Company's common stock at the date of grant, vest on a graduated basis, becoming fully vested 36 months after grant, and expire ten years after grant. The Plan also provides for the award of SARs, performance shares and restricted stock, as defined.

The 92,000 options which were outstanding and exercisable at December 31, 2004 have a remaining contractual life of 4.2 years and an exercise price of $70.38. In 2004, 13,000 options were exercised. No options were exercised in 2003 and 2002. Shares available for future grant under the Plan at December 31, 2004 were 1,745,000.

At December 31, 2004, 850,000 SARs were outstanding and exercisable. The consolidated statement of operations for the year ended December 31, 2004 and 2003 includes $76,789,000 and $44,917,000, respectively of compensation expense based on the Company's closing stock price of $215.00 at December 31, 2004 and $124.66 at December 31, 2003. Since the closing stock prices at December 31, 2002 was less than the weighted-average strike price of $71.82, there was no compensation expense in the statement of operations for the year ended December 31, 2002. SARs, unlike options, are not aggregated under the REIT rules.

11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted (loss) income per share.

(amounts in thousands except shares and per share amounts)	YEAR ENDED DECEMBER 31, 2004	2003	2002
Numerator:			
(Loss) income from continuing operations	$ (37,331)	$ (18,948)	$ 12,400
Gain on sale of real estate	3,862	--	--
Income from discontinued operations	--	1,206	11,184
Net (loss) income	$ (33,469)	$ (17,742)	$ 23,584
Denominator (basic and diluted) - weighted-average shares	5,008,222	5,000,850	5,000,850
Net (loss) income per common share (basic and diluted):			
(Loss) income from continuing operations	$ (7.45)	$ (3.79)	$ 2.48
Gain on sale of real estate	0.77	--	--
Income from discontinued operations	--	0.24	2.24
Net (loss) income	$ (6.68)	$ (3.55)	$ 4.72

Options to purchase 92,000 and 105,000 shares of the Company's common stock were not included in the calculations of loss per share in the years ended December 31, 2004 and 2003, respectively, as they are anti-dilutive in those cases and income per share in the year ended December 31, 2002 as the average market prices of the Company's common stock during that year were less than the exercise prices.

12. SUMMARY OF QUARTERLY RESULTS (UNAUDITED)
(amounts in thousands except per share amounts)

		(LOSS) INCOME			(LOSS) INCOME PER COMMON SHARE (BASIC AND DILUTED)		
	REVENUE	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL	CONTINUING OPERATIONS	DISCONTINUED OPERATIONS	TOTAL
2004							
First quarter	$ 33,765	$ (22,992)	$ --	$ (22,992)	$ (4.60)	$ --	$ (4.60)
Second quarter	34,799	2,523	--	2,523	0.50	--	0.50
Third quarter	38,835	(11,693)	--	(11,693)	(2.33)	--	(2.33)
Fourth quarter	41,496	(1,307)	--	(1,307)	(0.26)	--	(0.26)
2003							
First quarter	$ 19,723	$ 4,804	$ --	$ 4,804	$ 0.96	$ --	$ 0.96
Second quarter	20,156	(4,396)	--	(4,396)	(0.88)	--	(0.88)
Third quarter	19,902	(13,560)	--	(13,560)	(2.71)	--	(2.71)
Fourth quarter	27,381	(5,796)	1,206	(4,590)	(1.16)	0.24	(0.92)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures - The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Annual Report on Form 10-K. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Alexander's, Inc., together with its consolidated subsidiaries (the "Company"), is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

As of December 31, 2004, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has determined that the Company's internal control over financial reporting as of December 31, 2004 is effective.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing on page 47 which expresses unqualified opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting as of December 31, 2004.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Alexander's, Inc.
Paramus, New Jersey

We have audited management's assessment, included within this December 31, 2004 Form 10-K of Alexander's, Inc. at Item 9A under the heading "Management's Report on Internal Control Over Financial Reporting," that Alexander's, Inc., together with its consolidated subsidiaries (the "Company") maintained effective internal control over financial reporting as of December 31, 2004, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2004, is fairly stated, in all material respects, based on the criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2004, based on the criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and the related financial statement schedules as of and for the year ended December 31, 2004 of the Company and our report dated February 23, 2005 expressed an unqualified opinion on those financial statements and financial statement schedules.

DELOITTE & TOUCHE LLP

Parsippany, New Jersey
February 24, 2005

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information concerning directors of the Company will be contained in a definitive Proxy Statement involving the election of directors and pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended. The Company will file the Proxy Statement with the Securities and Exchange Commission not later than 120 days after December 31, 2004. Such information is incorporated by reference herein. For information concerning the executive officers of the Company, see "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K. Also incorporated herein by reference is the information under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" of the Proxy Statement.

The Company has adopted a code of business conduct and ethics that applies to each of its Chief Executive Officer and Executive Vice President and Chief Financial Officer, among others. The code is posted on the Company's website at www. Alx-Inc.com. The Company intends to satisfy its disclosure obligation regarding amendments and waivers of this code applicable to its Chief Executive Office and Executive Vice President and Chief Financial Officer by posting such information on its website at www.Alx-Inc.com.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning executive compensation will be contained in the Proxy Statement referred to above in "Item 10. Directors and Executive Officers of the Registrant." Such information is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information concerning security ownership of certain beneficial owners and management and related stockholder matters, except as set forth below, will be contained in the Proxy Statement referred to above in "Item 10. Directors and Executive Officers of the Registrant." Such information is incorporated by reference herein.

A summary of the Company's equity compensation plans follows.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	92,000	$70.38	1,745,000
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	92,000	$70.38	1,745,000

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions will be contained in the Proxy Statement referred to above in "Item 10. Directors and Executive Officers of the Registrant." Such information is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information concerning principal accountant fees and services will be contained in the Proxy Statement referred to above in "Item 10. Directors and Executive Officers of the Registrant." Such information is incorporated by reference herein.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this Annual Report

1. The consolidated financial statements are set forth in Item 8 of this Annual Report on Form 10-K.

2. The following financial statement schedules should be read in conjunction with the financial statements included in Item 8 of this Annual Report on Form 10-K.

All other financial statement schedules are omitted because they are inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.

3. Exhibits:

See Exhibit Index on page 55.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

By: /s/ Joseph Macnow

Joseph Macnow
Executive Vice President and Chief Financial Officer

Date: February 24, 2005

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Steven Roth Steven Roth	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	February 24, 2005
/s/ Michael D. Fascitelli Michael D. Fascitelli	President and Director	February 24, 2005
/s/ Joseph Macnow Joseph Macnow	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 24, 2005
/s/ Thomas R. DiBenedetto Thomas R. DiBenedetto	Director	February 24, 2005
/s/ David Mandelbaum David Mandelbaum	Director	February 24, 2005
/s/ Stephen Mann Stephen Mann	Chief Operating Officer and Director	February 24, 2005
/s/ Arthur I. Sonnenblick Arthur I. Sonnenblick	Director	February 24, 2005
/s/ Neil Underberg Neil Underberg	Director	February 24, 2005
/s/ Richard R. West Richard R. West	Director	February 24, 2005
/s/ Russell B. Wight, Jr. Russell B. Wight, Jr.	Director	February 24, 2005

ALEXANDER'S, INC. AND SUBSIDIARIES

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

(amounts in thousands) COLUMN A - DESCRIPTION	COLUMN B BALANCE AT BEGINNING OF YEAR	COLUMN C ADDITIONS: CHARGED AGAINST OPERATIONS	COLUMN D DEDUCTIONS: UNCOLLECTIBLE ACCOUNTS WRITTEN OFF	COLUMN E BALANCE AT END OF YEAR
Allowance for doubtful accounts:				
Year Ended December 31, 2004	$ 55	$ 384	$ 60	$ 379
Year Ended December 31, 2003	$ 96	$ 112	$ 153	$ 55
Year Ended December 31, 2002	$ 929	$ (191)	$ 642	$ 96

ALEXANDER'S, INC. AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2004
(amounts in thousands)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E	
		INITIAL COST TO COMPANY(1)			GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD	
DESCRIPTION	ENCUMBRANCES	LAND	BUILDING, LEASEHOLDS AND LEASEHOLD IMPROVEMENTS	COST CAPITALIZED SUBSEQUENT TO ACQUISITION(2)	LAND	BUILDINGS, LEASEHOLD AND LEASEHOLDS IMPROVEMENTS
Commercial Property:						
New York, NY						
Rego Park I	$ 81,661	$ 1,647	$ 8,953	$ 57,641	$ 1,647	$ 66,594
Rego Park II	--	3,906	1,467	2,224	3,906	1,566
Flushing	--	--	1,660	2,167	--	3,213
Lexington Ave.	465,168	14,432	12,355	704,234	49,720	288,424
Kings Plaza Regional Shopping Center	213,699	497	9,542	120,655	24,483	104,990
Paramus, NJ	68,000	1,441	--	10,313	11,754	--
Other properties	--	167	1,804	2	167	1,806
Other debt (4)	124,000					
TOTAL	$ 952,528	$ 22,090	$ 35,781	$ 897,236	$ 91,677	$ 466,593

COLUMN A	COLUMN E		COLUMN F	COLUMN G	COLUMN H	COLUMN I
	GROSS AMOUNT AT WHICH CARRIED AT CLOSE OF PERIOD					
DESCRIPTION	CONSTRUCTION IN PROGRESS	TOTAL(2)	ACCUMULATED DEPRECIATION AND AMORTIZATION	DATE OF CONSTRUCTION	DATE ACQUIRED(1)	LIFE ON WHICH DEPRECIATION IN LATEST INCOME STATEMENT IS COMPUTED
Commercial Property:						
New York, NY						
Rego Park I	$ --	$ 68,241	$ 22,305	1959	1992	15-39 years
Rego Park II	2,125	7,597	1,486	1965	1992	38-39 years
Flushing	614	3,827	1,859	1975(3)	1992	26 years
Lexington Ave.	392,877	731,021	7,401	2003	1992	5-39 years
Kings Plaza Regional Shopping Center	1,221	130,694	39,171	1970	1992	7-50 years
Paramus, NJ	--	11,754	--	--	1992	--
Other properties	--	1,973	1,806	Various	1992	7-25 years
Other debt (4)						
TOTAL	$396,837	$ 955,107	$ 74,028			

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(1) Initial cost is as of May 15, 1 992 (the date on which the Company commenced its real estate operations) unless acquired subsequent to that date. See Column H.

(2) The net basis of the Company's assets and liabilities for tax purposes is approximately $13,000,000 higher than the amount reported for financial statement purposes.

(3) This date represents the lease acquisition date.

(4) This debt is payable to Vornado Realty Trust (see Note 8 of the consolidated financial statements).

ALEXANDER'S, INC. AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
(amounts in thousands)

	DECEMBER 31, 2004	DECEMBER 31, 2003	DECEMBER 31, 2002
REAL ESTATE:			
Balance at beginning of period	$ 826,546	$ 600,661	$ 436,742
Additions during the period:			
Land	181	1,160	--
Buildings, leaseholds and leasehold improvements	95,240	194,772	4,608
Construction in progress	33,140	30,385	164,948
	955,107	826,978	606,298
Assets sold	--	(432)	(5,637)
Balance at end of period	$ 955,107	$ 826,546	$ 600,661
ACCUMULATED DEPRECIATION:			
Balance at beginning of period	$ 62,744	$ 57,686	$ 56,383
Additions charged to operating expenses	11,284	5,058	4,563
	74,028	62,744	60,946
Assets sold	--	--	(3,260)
Balance at end of period	$ 74,028	$ 62,744	$ 57,686

EXHIBIT INDEX

EXHIBIT NO.		
3.1	Amended and Restated Certificate of Incorporation. Incorporated herein by reference from Exhibit 3.1 to the registrant's Registration Statement on Form S-3 filed on September 20, 1995......................................	*
3.2	By-laws, as amended. Incorporated herein by reference from Exhibit 10.1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000...	*
10.1	Limited Liability Company Operating Agreement of 731 Residential LLC, dated as of July 3, 2002, among 731 Residential Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003...	*
10.2	Limited Liability Company Operating Agreement of 731 Commercial LLC, dated as of July 3, 2002, among 731 Commercial Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(2) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003...	*
10.3	Amended and Restated Credit Agreement dated July 3, 2002 between 59th Street Corporation and Vornado Lending, LLC (evidencing $40,000,000 of debt on which 59th Street Corporation became the direct borrower). Incorporated herein by reference from Exhibit 10(i)(B)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..	*
10.4	Credit Agreement, dated July 3, 2002, between Alexander's Inc. and Vornado Lending LLC evidencing a $20,000,000 loan. Incorporated herein by reference from Exhibit 10(i)(B)(2) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..............................	*
10.5	Amended and Restated Credit Agreement, dated July 3, 2002, between Alexander's Inc. and Vornado Lending LLC evidencing a $50,000,000 line of credit facility. Incorporated herein by reference from Exhibit 10(i)(B)(3) to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2003...	*
10.6	Credit Agreement, dated July 3, 2002, between Alexander's Inc. and Vornado Lending LLC evidencing a $35,000,000 loan. Incorporated herein by reference from Exhibit 10(i)(B)(4) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..............................	*
10.7	Building Loan Agreement, dated as of July 3, 2002, by and between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..	*
10.8	Project Loan Agreement, dated as of July 3, 2002, by and between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..	*

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* Incorporated by reference

EXHIBIT NO.		
10.9	Supplemental Loan Agreement, dated as of July 3, 2002, by and between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(2) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003....................................	*
10.10	Consolidated, Amended and Restated Building Loan Mortgage, dated as of July 3, 2002, by and between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(3) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003...	*
10.11	Consolidated, Amended and Restated Building Loan Note, dated as of July 3, 2002 by and between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(4) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003...	*
10.12	Guaranty of Completion, dated as of July 3, 2002, executed by Vornado Realty L.P. for the benefit of Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(5) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..................	*
10.13	Guaranty of Carry Obligations, dated as of July 3, 2002, executed by Alexander's, Inc. for the benefit of Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(6) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003.................	*
10.14	Environmental Indemnity Agreement, dated as of July 3, 2002, executed by Alexander's, Inc., 731 Residential LLC and 731 Commercial LLC in favor of Bayerische Hypo-und Vereinsbank AG, New York Branch, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10(i)(C)(7) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..	*
10.15	Reimbursement Agreement, dated as of July 3, 2002, by and between Alexander's, Inc., 731 Commercial LLC, 731 Residential LLC and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10(i)(C)(8) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003..	*
10.16	First Omnibus Amendment to Loan Documents, dated March 5, 2003, among 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Hypo Real Estate Capital Corporation, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10.16 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003........................	*
10.17	Second Omnibus Amendment to Loan Documents, dated February 13, 2004, among 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Hypo Real Estate Capital Corporation, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10.17 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003...........	*

* Incorporated by reference

EXHIBIT NO.		
10.18	First Amendment to Building Loan Agreement, dated March 5, 2003, between 731 Commercial LLC and 731 Residential LLC, * collectively as Borrower, and Hypo Real Estate Capital Corporation, as Agent for the Lenders. Incorporated herein Incorporated by reference from Exhibit 10.18 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003..	*
10.19	Second Amendment to Building Loan Agreement, dated February 13, 2004, between 731 Commercial LLC and 731 Residential LLC, collectively as Borrower, and Hypo Real Estate Capital Corporation, as Agent for the Lenders. Incorporated herein by reference from Exhibit 10.19 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003...	*
10.20	Loan and Security Agreement, dated as of February 13, 2004, between 731 Office One LLC, as Borrower and German American Capital Corporation, as Lender. Incorporated herein by reference from Exhibit 10.20 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003...	*
10.21	Amended, Restated and Consolidated Mortgage, Security Agreement, Financing Statement and Assignment of Leases, Rent and Security Deposits by and between 731 Office One LLC as Borrower and German American Capital Corporation as Lender, dated as of February 13, 2004. Incorporated herein by reference from Exhibit 10.21 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.22	Amended, Restated and Consolidated Note, dated as of February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.22 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003..........	*
10.23	Assignment of Leases, Rents and Security Deposits from 731 Office One LLC to German American Capital Corporation, dated as of February 13, 2004. Incorporated herein by reference from Exhibit 10.23 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003..........	*
10.24	Account and Control Agreement, dated as of February 13, 2004, by and among German American Capital Corporation as Lender, and 731 Office One LLC as Borrower, and JP Morgan Chase as Cash Management Bank. Incorporated herein by reference from Exhibit 10.24 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.25	Manager's Consent and Subordination of Management Agreement dated February 13, 2004 by 731 Office One LLC and Alexander's Management LLC and German American Capital Corporation. Incorporated herein by reference from Exhibit 10.25 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003...	*
10.26	Note Exchange Agreement dated as of February 13, 2004 by and between 731 Office One LLC and German American Capital Corporation. Incorporated herein by reference from Exhibit 10.26 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003.........................	*
10.27	Promissory Note A-1 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.27 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*

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* Incorporated by reference

EXHIBIT NO.		
10.28	Promissory Note A-2 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.28 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.29	Promissory Note A-3 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.29 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.30	Promissory Note A-4 dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.30 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.31	Promissory Note A-X dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.31 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.32	Promissory Note B dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.32 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003................................	*
10.33	Guaranty of Recourse Obligations dated as of February 13, 2004, by Alexander's, Inc. to and for the benefit of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.33 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003..	*
10.34	Environmental Indemnity dated as of February 13, 2004, by Alexander's, Inc. and 731 Office One LLC for the benefit of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.34 to the registrant's Annual Report on Form 10-K for the year ended December 31, 2003..	*
10.35	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 quarter ended June 30, 2000............	*
10.36	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)(O) to the registrant's Annual Report on Form 10-K for the fiscal year ended July 25, 1992...	*
10.37	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 Annual Report Form 10-K for the year ended December 31, 1994..	*
10.38	Amendment to Real Estate Retention Agreement, dated as of July 3, 2002, by and between Alexander's, Inc. and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10(i)(E)(3) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.........................	*

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* Incorporated by reference

EXHIBIT NO.		
10.39	59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and between Vornado Realty, L.P., 731 * Residential LLC and 731 Commercial LLC. Incorporated herein by reference from Exhibit 10(i)(E)(4) to the Incorporated registrant's Quarterly Report on Form 10-Q for the quarter	
10.40	Amended and Restated Management and Development Agreement, dated as of July 3, 2002, by and between Alexander's, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(1) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002...	*
10.41	59th Street Management and Development Agreement, dated as of July 3, 2002, by and between 731 Commercial LLC and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(2) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002..	*
10.42	Kings Plaza Management Agreement, dated as of May 31, 2001, by and between Alexander's Kings Plaza LLC and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(3) to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002..................	*
10.43	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 quarter ended March 31, 1994..	*
10.44	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 Annual Report on Form 10-K for the fiscal year ended July 25, 1992...	*
10.45	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 Annual Report on Form 10-K for the year ended December 31, 1994..	*
10.46	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 Annual Report on Form 10-K for the fiscal year ended July 31, 1993..	*
10.47	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 Annual Report on Form 10-K for the year ended December 31, 1994...	*
10.48	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 Annual Report on Form 10-K for the year ended December 31, 1994...............................	*
10.49	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 Annual Report on Form 10-K for the year ended December 31, 1994...	*
10.50	Registrant's Omnibus Stock Plan, as amended, dated May 28, 1997. Incorporated herein by reference from Exhibit 10 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997........	*

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* Incorporated by reference

EXHIBIT NO.		
10.51	Amended and Restated Consolidated Mortgage and Security Agreement dated as of May 31, 2001 among Alexander's Kings Plaza LLC as mortgagor, Alexander's of King LLC as mortgagor and Kings Parking LLC as mortgagor, collectively borrower, to Morgan Guaranty Trust Company of New York, as mortgagee. Incorporated herein by reference from Exhibit 10(v) A1 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001	*
10.52	Amended, Restated and Consolidated Promissory Note, dated as of May 31, 2001 by and between Alexander's Kings Plaza LLC, Alexander's of Kings LLC, and Kings Parking LLC collectively borrower, and Morgan Guaranty Trust Company of New York, lender. Incorporated herein by reference from Exhibit 10(v) A2 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001	*
10.53	Cash Management Agreement dated as of May 31, 2001 by and between Alexander's Kings Plaza LLC, Alexander's of Kings LLC, and Kings Parking LLC collectively borrower, and Morgan Guaranty Trust Company of New York, lender. Incorporated herein by reference from Exhibit 10(v) A3 to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001	*
10.54	Note modification and Severance Agreement dated as of November 26, 2001, between Alexander's Kings Plaza LLC, Alexander's of Kings LLC, and Kings Parking LLC collectively borrower and JP Morgan Chase Bank of New York, lender. Incorporated herein by reference from Exhibit 10(v)(A)(4) to the registrant's Annual Report on Form 10-K for the year ended December 31, 2001	*
10.55	Agreement of Lease dated as of April 30, 2001 between Seven Thirty One Limited Partnership, landlord, and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v) B to the registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001	*
10.56	First Amendment of Lease, dated as of April 19, 2002, between Seven Thirty One Limited Partnership, landlord and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v)(B)(2) to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2002	*
10.57	Loan Agreement dated as of October 2, 2001 by and between ALX of Paramus LLC as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(1) to the registrant's Annual Report on Form 10-K for the year ended December 31, 2001	*
10.58	Mortgage, Security Agreement and Fixture Financing Statement dated as of October 2, 2001 by and between ALX of Paramus LLC as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(2) to the registrant's Annual Report on Form 10-K for the year ended December 31, 2001	*
10.59	Environmental undertaking letter dated as of October 2, 2001 by and between ALX of Paramus LLC, as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(3) to the registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2001	*
10.60	Lease dated as of October 2, 2001 by and between ALX of Paramus LLC, as Landlord, and IKEA Property, Inc. as Tenant. Incorporated herein by reference from Exhibit 10(v)(C)(4) to the registrant's Annual Report on Form 10-K for the year ended December 31, 2001	*

* Incorporated by reference

EXHIBIT NO.	
21	Subsidiaries of Registrant
23	Consent of Deloitte & Touche LLP
31.1	Certification by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended
31.2	Certification by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended
32.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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*Incorporated by reference

EXHIBIT 21
ALEXANDER'S, INC.
SUBSIDIARIES OF REGISTRANT

Alexander's of Brooklyn, Inc.
Alexander's Kings, LLC
Alexander's Kings Plaza, LLC
Alexander's Paramus, LLC
Alexander's of Rego Park II, Inc.
Alexander's of Rego Park III, Inc.
Alexander's of Flushing, Inc.
Alexander's Department Stores of New Jersey, Inc.
Alexander's Department Stores of Brooklyn, Inc.
Kings Parking, LLC
Ownreal Inc.
Sakraf Wine & Liquor Store, Inc.
Alexander's Personnel Providers, Inc.
Alexander's Rego Shopping Center Inc.
731 Commercial Holding LLC
731 Commercial LLC
731 Residential Holding LLC
731 Residential LLC
731 Office One Holding LLC
731 Office One LLC
731 Office Two Holding LLC
731 Office Two LLC
731 Restaurant LLC
Alexander's Restaurant LLC
Alexander's Management LLC
Alexander's of Brooklyn II LLC
Kings Plaza Lender LLC

EXHIBIT 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements No. 333-110673 on Form S-3 of our reports dated February 23, 2005 relating to the financial statements and financial statement schedules of Alexander's, Inc. and management's report on the effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K of Alexander's, Inc. for the year ended December 31, 2004.

Deloitte & Touche LLP
Parsippany, New Jersey
February 24, 2005

EXHIBIT 31.1

CERTIFICATION

I, Steven Roth, certify that:

1. I have reviewed this Annual Report on Form 10-K of Alexander's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 24, 2005

/s/ Steven Roth
- ------------------------
Steven Roth
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Joseph Macnow, certify that:

1. I have reviewed this Annual Report on Form 10-K of Alexander's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 24, 2005

/s/ Joseph Macnow

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Joseph Macnow
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTION (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Annual Report on Form 10-K for the year ended December 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 24, 2005

/s/ Steven Roth

Name: Steven Roth
Title: Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTION (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Alexander's, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Annual Report on Form 10-K for the year ended December 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

February 24, 2004

/s/ Joseph Macnow

Name: Joseph Macnow
Title: Executive Vice President and Chief Financial Officer