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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1997

Commission file number: 1-6064

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

Delaware	51-0100517
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Park 80 West, Plaza II, Saddle Brook, New Jersey	07663
(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	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 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]

The aggregate market value of the common stock held by non-affiliates of the Registrant (based upon the closing price of the stock on the New York Stock Exchange on February 27, 1998) was approximately $202,143,000.

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes / / No / /

5,000,850 shares of the Registrant's common stock, par value $1 per share, were outstanding as of February 27, 1998.

Documents Incorporated by Reference

Part III: Proxy Statement for Annual Meeting of Shareholders to be held May 27, 1998

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(1) These items are omitted because the Registrant will file a definitive Proxy Statement pursuant to Regulation 14A involving the election of directors with the Securities and Exchange Commission not later than 120 days after December 31, 1997, which is incorporated by reference.

PART I

Item 1. Business

GENERAL

Alexander's, Inc. (the "Company") is a real estate investment trust ("REIT") engaged in leasing, managing, developing and redeveloping properties, focusing primarily on the locations where its department stores (which ceased operations in 1992) formerly operated. The Company believes that its properties, which are located in New York City and Bergen County, New Jersey, offer advantageous retail opportunities, principally because of their size and location in areas where comparable store sites are not readily available.

Alexander's has nine properties consisting of:

Operating properties:

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

(ii) the Kings Plaza Shopping Center on Flatbush Avenue in Brooklyn, New York which consists of 427,000 square feet of mall stores (the "Kings Plaza Mall") in which the Company owns a 50% interest;

(iii) the Kings Plaza Store, a 339,000 square foot store, which is one of the two anchor stores at the Kings Plaza Shopping Center, which is 85% leased to Sears;

(iv) the Fordham Road property located at Fordham Road and the Grand Concourse in the Bronx, New York, which contains a 303,000 square foot building currently unoccupied;

(v) the Flushing property located at Roosevelt Avenue and Main Street in Flushing, New York, which contains a 177,000 square foot building sub-leased to Caldor, and

(vi) the Third Avenue property located at Third Avenue and 152nd Street in the Bronx, New York, which contains a 173,000 square foot building leased to an affiliate of Conway.

Non-operating properties to be redeveloped:

(vii) the Lexington Avenue property which comprises the entire square block bounded by Lexington Avenue, East 59th Street, Third Avenue and East 58th Street in Manhattan, New York in which the Company is the general partner and has a 92% limited partnership interest;

(viii) the Paramus property which consists of 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey;

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

The following tenants accounted for more than 10% of the Company's consolidated revenues:

	Year Ended December 31,		
	1997	1996	1995
Caldor	22%	36%	56%
Sears	31%	23%	--

In September 1995, Caldor filed for relief under Chapter 11 of the United States Bankruptcy Code. Caldor rejected its Fordham Road lease effective June 6, 1997 and accordingly, no longer pays rent. Alexander's has filed a claim for damages based on such rejection. The annual base rental under this lease was $3,537,000. The loss of property rental payments, if any, under the Caldor lease for the Flushing property, could have a material adverse affect on the Company's financial condition and results of operations.

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

The Company estimates that the fair market values of its assets are substantially in excess of their historical cost and that it has additional borrowing capacity. Alexander's continues to evaluate its needs for capital, which may be raised through (a) property specific or corporate borrowing, (b) the sale of securities and (c) asset sales. Although there can be no assurance, the Company believes that these cash sources will be adequate to fund cash requirements until its operations generate adequate cash flow.

The Company is a Delaware corporation with its principal executive office located at Park 80 West, Plaza II, Saddle Brook, New Jersey 07663, telephone (201) 587-8541.

Relationship with Vornado Realty Trust ("Vornado")

Vornado owns 29.3% of the Company's Common Stock. The Company is managed by and its properties are redeveloped and leased by Vornado, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable.

The annual management fee payable by the Company to Vornado is $3,000,000, plus 6% of development costs with minimum guaranteed fees of $750,000 per annum. The leasing agreement provides for the Company to pay a fee to Vornado equal to (i) 3% of the gross proceeds, as defined, from the sale of an asset and (ii) in the event of a lease or sublease of an asset, 3% of lease rent for the first ten years of a lease term, 2% of lease rent for the eleventh through the twentieth years of a lease term and 1% of lease rent for the twenty-first through thirtieth year of a lease term. Subject to the payment of rents by tenants, the Company owes Vornado $6,244,000 at December 31, 1997. Such amount is 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 it been paid on September 21, 1993, or at the time the transactions which gave rise to the Commissions occurred, if later.

In addition, Vornado lent the Company $45,000,000, the subordinated tranche of a $75,000,000 loan. The loan which had a three-year term expiring in March 1998, has been extended for an additional year and the interest rate has been reset from 15.60% per annum to 13.87% per annum.

Vornado is a fully integrated REIT with significant experience in the ownership, development, redevelopment, leasing, operation and management of retail and office properties.

Steven Roth is Chief Executive Officer and a director of the Company, the Managing General Partner of Interstate Properties ("Interstate") and Chairman of the Board and Chief Executive Officer of Vornado. Interstate owns 27.1% of the outstanding common stock of the Company and owns 17.9% of the outstanding common shares of beneficial interest of Vornado. In addition, Mr. Roth owns 2.2% of the outstanding common shares of beneficial interest of Vornado. Mr. Roth, Interstate and the other two general partners of Interstate, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) own, in the aggregate, 21.3% of the outstanding common shares of beneficial interest of Vornado.

On December 2, 1996, Michael D. Fascitelli was elected a director of the Company and received an option for 350,000 shares of the Company's common stock pursuant to the Company's Omnibus Stock Plan. Mr. Fascitelli is President of Vornado and a member of its Board of Trustees.

The agreement with Vornado and Interstate Properties not to own in excess of two-thirds of the Company's common stock expired in March 1998.

ENVIRONMENTAL MATTERS

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

Such contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Center intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Center has not recorded an asset as of December 31, 1997 for potential recoveries of environmental remediation costs from other parties.

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

COMPETITION

The Company conducts its real estate operations in the New York metropolitan area, a highly competitive market. The Company's success depends upon, among other factors, the trends of the 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, income tax laws, governmental regulations and legislation, population trends, the market for real estate properties in the New York metropolitan area, zoning laws and the ability of the Company to lease, sublease or sell its properties at profitable levels. The Company competes with a large number of real estate property owners. In addition, although the Company believes that it will realize significant value from its properties over time, the Company anticipates that it may take a number of years before all of its properties generate cash flow at or near anticipated levels. The Company's success is also subject to its ability to finance its development and to refinance its debts as they come due.

EMPLOYEES

The Company currently employs two people.

Item 2. Properties

The following table shows the location, approximate size and leasing status as of December 31, 1997 of each of the Company's properties.

Property	Ownership	Approximate Land Square Footage ("SF") or Acreage	Approximate Building Square Footage/ Number of Floors	Average Annualized Base Rent Per Sq. Foot	Percent Leased
OPERATING PROPERTIES					
Rego Park I Queens Blvd. & 63rd Rd. Rego Park, New York	Owned	4.8 acres	351,000/3 (1)	$29.61	100%
Kings Plaza Shopping Center (Kings Plaza Mall) Flatbush Avenue Brooklyn, New York	50% Owned	24.3 acres	427,000/2 (1) (2)	$32.60	86%
Kings Plaza Store Flatbush Avenue Brooklyn, New York	Owned	Included in Shopping Center total above	339,000/4	$10.00	85%
Fordham Road & Grand Concourse Bronx, New York	Owned	92,211 SF	303,000/5	--	--
Roosevelt Avenue & Main Street Flushing, New York	Leased (5)	44,975 SF	177,000/4 (3)	$16.35	100%
Third Avenue & 152nd Street Bronx, New York	Owned	60,451 SF	173,000/4	$ 4.33	100%
			1,770,000 =========		
REDEVELOPMENT PROPERTIES					
Square block at East 59th Street & Lexington Avenue New York, New York	92% Owned (4)	84,420 SF	591,000/6 (5)		
Routes 4 & 17 Paramus, New Jersey	Owned	30.3 acres	-- (6)		
Rego Park II Queens, New York	Owned	6.6 acres	--		

Property	Tenants	Square Footage Leased	Lease Expiration/ Option Expiration
OPERATING PROPERTIES			
Rego Park I Queens Blvd. & 63rd Rd. Rego Park, New York	Sears Circuit City Bed Bath & Beyond Marshalls Old Navy	195,000 50,000 46,000 39,000 15,000	2021 2021 2013 2008/2021 2007/2021
Kings Plaza Shopping Center (Kings Plaza Mall) Flatbush Avenue Brooklyn, New York	103 Tenants	357,000	(See table on page 8)
Kings Plaza Store Flatbush Avenue Brooklyn, New York	Sears	289,000	2023/2033
Fordham Road & Grand Concourse Bronx, New York	--		
Roosevelt Avenue & Main Street Flushing, New York	Caldor	177,000	2027
Third Avenue & 152nd Street Bronx, New York	An affiliate of Conway	173,000	2023

REDEVELOPMENT PROPERTIES

Square block at East
59th Street &
Lexington Avenue
New York, New York

Routes 4 & 17
Paramus, New Jersey

Rego Park II
Queens, New York

(1) Excludes parking garages operated for the benefit of the Company.

(2) Excludes approximately 150,000 square feet of enclosed, common area space.

(3) Leased to the Company through January 2027. The Company is obligated to pay rent to the landlord 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.

(4) The Lexington Avenue property is owned by Seven Thirty One Limited Partnership, of which 7.64% is owned by non-affiliated limited partners.

(5) The Company is evaluating redevelopment plans for this site which may involve razing the existing buildings and developing a large multi-use building.

(6) Governmental approvals have been obtained to develop a shopping center at this site containing up to 650,000 square feet (see Item 2 "Paramus Property" on page 9).

Operating Properties:

Rego Park I

The Rego Park I property 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 addition, in conjunction with the redevelopment, a multi-level parking structure was constructed which provides paid parking spaces for approximately 1,200 vehicles.

Kings Plaza Shopping Center

The Kings Plaza Shopping Center (the "Center") comprises a two-level mall (the "Kings Plaza Mall"), and two four-level anchor stores. The Center contains approximately 1.1 million square feet and occupies a 24.3-acre site at the intersection of Flatbush Avenue and Avenue U located in Brooklyn, New York. Among its features are a marina, a five-level parking structure and an energy plant that generates the shopping center's electrical power. The Company owns one anchor store in the shopping center of approximately 339,000 square feet (see "Kings Plaza Store" - Operating Properties), and an undivided one-half interest in the Kings Plaza Mall. The other anchor store is owned and operated as a Macy's store by Federated Department Stores, Inc.

Kings Plaza Mall

The Mall stores contain approximately 427,000 leasable square feet. As of December 31, 1997, 86% of the leasable area was leased to approximately 103 tenants.

The following table shows lease expirations for the tenants in the Mall stores for the next ten years, assuming none of the tenants exercise renewal options:

Year	Number of Leases Expiring	Approximate Leased Area in Square Feet Under Expiring Leases	Annualized Fixed Rent Under Expiring Leases	Annualized Fixed Rent Under Expiring Leases per Square Foot	Percent of Total Leased Square Footage Represented by Expiring Leases	Percent of 1997 Gross Annual Rental Represented by Expiring Leases
1998	6	9,705	$ 426,440	$43.94	2.26%	3.04%
1999	2	3,291	155,804	47.34	0.77%	1.11%
2000	10	17,761	827,686	46.60	4.14%	5.90%
2001	13	33,430	1,998,669	59.79	7.79%	14.25%
2002	15	36,748	1,467,961	39.95	8.57%	10.47%
2003	9	17,219	829,349	48.16	4.01%	5.91%
2004	1	6,519	293,355	45.00	1.52%	2.09%
2005	4	27,253	421,885	15.48	6.35%	3.01%
2006	16	87,860	2,249,805	25.61	20.48%	16.04%
2007	10	56,594	2,742,690	48.46	13.19%	19.56%

The following table shows the occupancy rate and the average annual rent per square foot as of:

	Occupancy Rate	Average Annual Rent Per Square Foot
December 31, 1997	86%	$32.60
December 31, 1996	84%	31.19
December 31, 1995	88%	27.54
June 30, 1994	88%	24.91
June 30, 1993	90%	24.77

Centercorp, Inc. manages the Mall. Interstate Properties, through Vornado, is the leasing agent.

At December 31, 1997, the Company's share of the $6,524,000 mortgage on the Kings Plaza Mall is $3,262,000. The interest rate is 8.50% and it matures on December 1, 2001. Since the Kings Plaza Mall is an unconsolidated joint venture, the mortgage on the Kings Plaza Mall is not reflected on the Company's books and records.

Kings Plaza Store

The Company's anchor store in the Center is a four-floor building containing approximately 339,000 square feet of which 289,000 square feet is leased to Sears. Access to the store is available from entrances on Flatbush Avenue and the parking lot and from entrances on both levels of the Mall.

Fordham Road

The Company owns the Fordham Road property, which is located at the intersection of Fordham Road and the Grand Concourse in the Bronx, New York. The property includes a five-floor building containing approximately 303,000 square feet located in the center of a shopping complex in one of the busiest shopping areas in the Bronx. This property, which is currently unoccupied, was previously leased to Caldor. Caldor rejected this lease effective June 6, 1997 and accordingly, no longer pays rent . The Company is currently in discussions with several tenants to re-lease all or portions of this space.

Flushing

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

This property is subleased to Caldor (other than the portion currently being used as a parking garage).

Third Avenue

The Company owns the Third Avenue property, a four-floor building and a small surface parking lot located at the intersection of Third Avenue and 152nd Street in the Bronx, New York. The store is located in a densely populated neighborhood. This property is leased to an affiliate of Conway, a New York area discount retailer.

Redevelopment Properties:

Lexington Avenue

As of December 31, 1997, the Company owns an approximately 92% interest in the Seven Thirty One Limited Partnership (the "Partnership"), a limited partnership which owns the Lexington Avenue property. This property 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 both Fifth Avenue and 57th Street. The Company is evaluating redevelopment plans for this property, which may involve razing the existing buildings and developing a large multi-use building requiring capital in excess of $300,000,000 to be expended. No redevelopment decisions have been finalized.

Paramus

As of December 31, 1997, the Company owns 30.3 acres of land, including its former store building, 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, within two miles of three other regional shopping malls and within 10 miles of New York City.

In October 1997, Alexander's and the New Jersey Department of Transportation ("DOT") entered into an agreement, in lieu of condemnation, pursuant to which the DOT agreed to buy approximately 9 acres from the Company located on the periphery of the property for $14,700,000 and granted the Company the right to develop up to approximately 650,000 square feet on the remaining acreage. The Company received the proceeds in March 1998. The Company intends to raze the existing building and develop a shopping center on the site. The estimated cost of such redevelopment is between $90,000,000 and $100,000,000. The Company has received municipal approvals on tentative plans to redevelop the site. No redevelopment plans have been finalized.

Rego Park II

The Company owns two additional land parcels adjacent to the Rego Park I property. They are the entire square block bounded by the Long Island Expressway, 97th Street, 62nd Drive and Junction Boulevard and a smaller parcel of approximately one-half square block at the intersection of 97th Street and the Long Island Expressway (the "Z Parcel"). Both parcels are currently zoned for residential use with the Z parcel having a commercial zoning overlay. Both parcels are being used for public paid parking. The Company intends to continue to use these properties for paid parking while it evaluates the feasibility of having these properties re-zoned for commercial use.

Insurance

The Company carries comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to its properties with policy specifications and insured limits customarily carried for similar properties. Management of the Company believes that the Company's insurance coverage conforms to industry norms.

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.

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, 1997.

Executive Officers of the Company

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 Occupation, Position and Office (current and during the past five years with the Company unless otherwise stated)
Stephen Mann	60	Chairman of the Board of Directors since March 2, 1995; Interim Chairman of the Board of Directors from August, 1994 to March 1, 1995; Chairman of the Clifford Companies since 1990; and, prior thereto, counsel to Mudge Rose Guthrie Alexander & Ferdon, attorneys.
Steven Roth	56	Chief Executive Officer of the Company since March 2, 1995; Chairman of the Board and Chief Executive Officer of Vornado since May 1989; Chairman of Vornado's Executive Committee of the Board since April 1988; and the Managing General Partner of Interstate, an owner of shopping centers and an investor in securities and partnerships.
Joseph Macnow	52	Vice President and Chief Financial Officer of the Company since August 1995; Executive Vice President - Finance and Administration of Vornado since January 1998 and Vice President and Chief Financial Officer of Vornado from 1985 to January 1998.
Brian M. Kurtz	49	Executive Vice President and Chief Administrative Officer from July, 1994 to the present; Senior Vice President and Chief Administrative Officer from March 1993 to July 1994; Senior Vice President and Controller from January 1989 to March, 1993; and Vice President-Controller from December 1985 to January 1989.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Equity and Related Stockholder Matters

The common stock, par value $1.00 per share, of the Company is traded on the New York Stock Exchange under the symbol "ALX". Set forth below are the high and low sales prices for the Company's common stock for each full quarterly period within the two most recent years:

	High	Low
1st Quarter 1997	$ 79 3/8	$ 62 1/2
2nd Quarter 1997	71 1/4	65
3rd Quarter 1997	82 3/4	70 3/8
4th Quarter 1997	92 3/8	81 3/4

	High	Low
1st Quarter 1996	$ 69 5/8	$ 65 1/4
2nd Quarter 1996	74	66 1/4
3rd Quarter 1996	73 1/4	67 1/2
4th Quarter 1996	80	69 1/4

As of December 31, 1997, there were approximately 2,000 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 1997 and 1996. In order to qualify as a REIT, the Company generally is required to distribute as a dividend 95% of its taxable income. At December 31, 1997, the Company had net operating loss carryovers ("NOL's") of approximately $156,000,000. Under the Internal Revenue Code of 1986, as amended, the Company's NOL's generally would be available to offset the amount of the Company's REIT taxable income that otherwise would be required to be distributed as a dividend to stockholders.

Item 6. Selected Financial Data

Summary of Selected Financial Data
(Amounts in thousands, except per share data)

	Year Ended December 31, 1997	1996	1995	1994	1993(1)	Five Months Ended (1) Dec. 31, 1993	Fiscal Year Ended July 31, 1993(2)
Operating data:							
Total revenues	$ 25,369	$ 21,833	$ 14,761	$ 13,206	$ 10,150	$ 5,596	$ 5,948
Income (loss) from continuing operations	$ 7,466(3)	$ 13,097(4)	$ (7,696)	$ 4,033	$ 9,644	$ 946	$ 27,151
Income (loss) from discontinued operations	--	11,602	10,133	--	(280)	--	(477)
Cumulative effect of change in accounting	--	--	--	--	--	--	(21,449)
Net income (loss)	$ 7,466	$ 24,699	$ 2,437	$ 4,033	$ 9,364	$ 946	$ 5,225
Income (loss) per common share: (5)							
Continuing operations	$ 1.49	$ 2.62	$ (1.54)	$ .81	$ 1.93	$ .19	$ 5.45
Discontinued operations	--	2.32	2.03	--	(.05)	--	(.09)
Cumulative effect of change in accounting	--	--	--	--	--	--	(4.31)
Net income (loss) per share	$ 1.49	$ 4.94	$ .49	$ .81	$ 1.88	$ .19	$ 1.05
Balance sheet data:							
Total assets	$235,074	$211,585	$ 198,541	$ 109,419	$ 92,917	$ 92,917	$ 113,572
Real estate	191,733	181,005	150,435	84,658	70,882	70,882	71,325
Debt	208,087	192,347	182,883	52,842	43,520	43,520	44,359
Stockholders' equity (deficiency)	13,029	5,563	(19,136)	(21,573)	(25,606)	(25,606)	(26,552)

1. In November 1993, the Company changed to a calendar year from a fiscal year ending on the last Saturday in July. The amounts for the year ended December 31, 1993 are included for comparative purposes only.

2. Includes 53 weeks.

3. Includes a gain of $8,914,000 from the condemnation of a portion of the Paramus property net of the write-off of the book value of the building of $5,786,000.

4. Includes income from the gain on reversal of the Company's postretirement healthcare liability of $14,372,000.

5. The earnings per share amounts presented comply with Statement of Financial Accounting Standards No. 128, "Earnings Per Share" (SFAS No. 128). Earnings per share is the same for all years' presented with and without dilution. For further discussion of earnings per share and the impact of SFAS No. 128, see notes to the consolidated financial statements.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Continuing Operations - Years Ended December 31, 1997 and December 31, 1996

The Company's revenues, which consist of property rentals, tenant expense reimbursements and equity in income of unconsolidated joint venture were $25,369,000 in 1997, compared to $21,833,000 in 1996, an increase of $3,536,000 or 16.2%.

Property rentals were $18,455,000 in 1997, compared to $15,952,000 in 1996, an increase of $2,503,000 or 15.7%. This increase resulted primarily from rent from leases commencing at the Rego Park I and Kings Plaza Store properties in 1997 of $5,143,000, partially offset by the loss of $2,274,000 of rent resulting from Caldor's rejection of its Fordham Road lease in June 1997.

Tenant expense reimbursements were $2,668,000 in 1997, compared to $1,872,000 in 1996, an increase of $796,000 or 42.5%. This increase reflects a corresponding increase in operating expenses passed through to tenants as a result of (i) a full year of operations at the Rego Park I property this year compared to ten months in 1996 and (ii) the commencement of operations at the Kings Plaza Store property.

Equity in income of unconsolidated joint venture (the Kings Plaza Mall) was $4,246,000 in 1997, compared to $4,009,000 in 1996, an increase of $237,000 or 5.9%. This increase resulted primarily from an increase in rent from mall tenants of $973,000, partially offset by an accrual of $750,000 (the Company's 50% share) for estimated environmental remediation costs at the site.

Operating expenses were $7,459,000 in 1997, compared to $5,562,000 in 1996, an increase of $1,897,000. This increase resulted primarily from a full year of operations at the Rego Park I property this year compared to ten months last year and the commencement of operations at the Kings Plaza Store property.

General and administrative expenses were $3,933,000 in 1997, compared to $4,402,000 in 1996, a decrease of $469,000. This decrease resulted primarily from lower professional fees.

Depreciation and amortization expense was $2,714,000 in 1997, compared to $2,128,000 in 1996, an increase of $586,000. This increase resulted primarily from the commencement of operations at the Rego Park I and Kings Plaza Store properties.

Interest and debt expense was $13,430,000 in 1997, compared to $13,934,000 in 1996, a decrease of $504,000. This decrease resulted primarily from more interest expense being capitalized on redevelopment projects in 1997, offset by interest on the Rego Park I debt being charged to income for twelve months in 1997 versus ten months in 1996.

Interest and other income, net was $719,000 in 1997 compared to $2,918,000 in 1996, a decrease of $2,199,000. This decrease resulted primarily from the amortization of deferred gains in connection with the Company's postretirement healthcare benefits and refunds in the prior year.

In October 1997, Alexander's entered into an agreement, in lieu of condemnation, with the New Jersey Department of Transportation ("DOT") pursuant to which the DOT agreed to buy approximately 9 acres from the Company located on the periphery of its Paramus property for $14,700,000. In connection with this agreement, the Company recorded a gain of $8,914,000 in the fourth quarter of 1997 which reflects the proceeds net of the write-off of the book value of the building which the Company intends to raze.

Continuing Operations - Years Ended December 31, 1996 and December 31, 1995

The Company's revenues, which consist of property rentals, tenant expense reimbursements and equity in income of unconsolidated joint venture were $21,833,000 in 1996, compared to $14,761,000 in 1995, an increase of $7,072,000 or 47.9%.

Property rentals were $15,952,000 in 1996, compared to $10,239,000 in 1995, an increase of $5,713,000 or 55.8%. This increase resulted primarily from the commencement of rents and paid parking at the Rego Park I property in March 1996.

Tenant expense reimbursements were $1,872,000 in 1996, compared to $1,188,000 in 1995, an increase of $684,000 or 57.6%. This increase reflects a corresponding increase in operating expenses passed through to tenants and was largely the result of the commencement of rents and paid parking at the Rego Park I property in March 1996.

Equity in income of unconsolidated joint venture (the Kings Plaza Shopping Center) was $4,009,000 in 1996, compared to $3,334,000 in 1995, an increase of $675,000 or 20.2%. This increase resulted primarily from an increase in rent from mall tenants.

Operating expenses were $5,562,000 in 1996, compared to $3,807,000 in 1995, an increase of $1,755,000. This increase resulted primarily from the commencement of operations at the Rego Park I property as noted above.

General and administrative expenses were $4,402,000 in 1996, compared to $4,820,000 in 1995, a decrease of $418,000. This decrease resulted primarily from lower professional fees.

Depreciation and amortization expense was $2,128,000 in 1996, compared to $1,858,000 in 1995, an increase of $270,000. This increase resulted primarily from the commencement of operations at the Rego Park I property as noted above.

Interest and debt expense was $13,934,000 in 1996, compared to $13,156,000 in 1995, an increase of $778,000. This increase resulted primarily from interest on the Rego Park I debt being charged to income this year (as a result of the property becoming operational), whereas in the prior year such interest was capitalized. The increase in interest expense was partially offset by additional interest capitalized in 1996 on other redevelopment projects.

Interest and other income, net was $2,918,000 in 1996 compared to $1,716,000 in 1995, an increase of $1,202,000. This increase resulted primarily from (i) the amortization of deferred gains of $794,000 in connection with the Company's postretirement healthcare benefits, (ii) workmen's compensation insurance and real estate tax refunds aggregating $351,000 and (iii) a reimbursement of expenses of $764,000 received in 1996 from the Company's partner in the unconsolidated joint venture, partially offset by (iii) a decrease in interest income of $745,000 as a result of a lower average cash invested this year than in the prior year.

Effective October 1, 1996, the Company made significant changes in the manner in which it provides healthcare benefits to its retirees. As a result, the Company has reversed its liability for postretirement healthcare costs resulting in the recognition of a $14,372,000 gain.

Discontinued Operations - Years Ended December 31, 1996 and December 31, 1995

The Company recorded income from discontinued operations of $11,602,000 in 1996 comprised of (i) $9,602,000 from the settlement of a tax certiorari proceeding against the County of Nassau for overpayment of taxes on its former Valley Stream Store property and (ii) $2,000,000 from the reduction of other liabilities of discontinued operations to amounts estimated to be needed to resolve these liabilities at December 31, 1996.

In 1995, the Company recorded income from discontinued operations of $10,133,000 comprised of (i) $6,133,000 from the settlement of a tax certiorari proceeding with the City of New York regarding the Kings Plaza Shopping Center and (ii) $4,000,000 resulting from the reduction of other liabilities of discontinued operations to amounts considered necessary to cover the remaining estimates of these liabilities at December 31, 1995.

LIQUIDITY AND CAPITAL RESOURCES

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

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

Property rentals from Caldor, which filed for relief under Chapter 11 of the United States Bankruptcy Code in September 1995, represented approximately 22% and 36% of the Company's consolidated revenues for the years ended December 31, 1997 and 1996. Caldor rejected its Fordham Road lease effective June 6, 1997 and accordingly, no longer pays rent. Alexander's has filed a claim for damages based on such rejection. The annual base rental revenue under this lease was $3,537,000. The loss of property rental payments, if any, under the Caldor lease for the Flushing property, could have a material adverse affect on the Company's financial condition and results of operations.

The Company's leases with Circuit City, Bed Bath & Beyond and Old Navy for the remaining 112,000 square feet at its Rego park I property commenced during the second quarter of 1997. In addition, the Company's lease with Sears for 289,000 square feet at its King Plaza Store property commenced in October 1997.

A summary of maturities of debt at December 31, 1997 is as follows:

Year ending December 31,		
1998	$185,974,000	($75,000,000 of which has been extended to 1999 - See below)
1999	628,000	
2000	21,485,000	
	$208,087,000	

The Company's $75,000,000 loan, collateralized by a mortgage on its Rego Park I property, which was scheduled to mature on March 30, 1998 has been extended to September 30, 1998. The loan bears interest at LIBOR plus 1.00% (currently 6.69%) and is guaranteed by the Company. In connection with the loan extension, the Company paid a fee of 1/8%. The Company expects to complete the refinancing of the loan through the issuance of rated commercial mortgage backed securities.

In addition, the Company's $75,000,000 loan from a bank and Vornado, which was scheduled to mature in March 1998, has been extended to March 1999. The blended interest rate has been reset from 12.93% to 11.50%, reflecting a reduction in both the spread and the underlying treasury rate.

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

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

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

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

CASH FLOWS

Year Ended December 31, 1997

Cash used in operating activities of $1,454,000 for the year ended December 31, 1997, was comprised of: (i) a net loss from operations of $1,448,000 (net income of $7,466,000 less the net gain from the Paramus condemnation of $8,914,000), (ii) a net change in operating assets and liabilities of $2,353,000 and (iii) the payment of liabilities of discontinued operations of $326,000, partially offset by (iv) adjustments for non-cash items of $2,673,000. The adjustments for non-cash items are comprised of depreciation and amortization of $4,494,000, partially offset by the effect of straight-lining of rental income of $1,821,000.

Net cash used in investing activities of $16,877,000 was comprised of additions to real estate of $20,625,000, offset by the use of restricted cash of $3,748,000.

Net cash provided by financing activities of $15,542,000 was comprised of proceeds from the issuance of debt (net of deferred debt expense) of $16,468,000, offset by $926,000 of debt repayments.

Year Ended December 31, 1996

Cash provided by operating activities of $8,574,000 was comprised of net income of $24,699,000 (including income from discontinued operations of $11,602,000), offset by (i) adjustments for non-cash items of $13,757,000 (ii) the payment of liabilities of discontinued operations of $1,175,000, and (iii) the net change in operating assets and liabilities of $1,193,000. The adjustments for non-cash items are comprised of (i) the reversal of the Company's postretirement healthcare liability of $14,372,000, (ii) the change in other liabilities of discontinued operations of $2,000,000, and (iii) the effect of straight-lining of rental income of $1,756,000, offset by (iv) depreciation and amortization of $4,105,000.

Net cash used in investing activities of $21,029,000 was comprised of capital expenditures of $32,314,000, offset by the release of cash restricted for both operating liabilities ($9,228,000) and construction financing ($2,057,000).

Net cash provided by financing activities of $9,464,000 was comprised of proceeds from the issuance of construction financing of $10,527,000 on the Rego Park I property, offset by repayments of debt of $1,063,000.

Year Ended December 31, 1995

Cash used in operating activities of $33,210,000 was comprised of: (i) the payment of liabilities of discontinued operations of $29,488,000, (ii) a net change in operating assets and liabilities of $5,184,000, and (iii) an adjustment for non-cash items of $975,000, offset by net income of $2,437,000 (including income from discontinued operations of $10,133,000). The adjustments for non-cash items are comprised of (i) change in other liabilities of discontinued operations of $4,322,000, and (ii) the effect of straight-lining of rental income of $1,340,000, offset by depreciation and amortization of $4,687,000.

Net cash used in investing activities of $62,838,000 was comprised of (i) capital expenditures of $45,933,000 and (ii) cash restricted for both operating liabilities ($10,724,000) and construction financing ($6,181,000).

Net cash provided by financing activities of $102,156,000 was comprised of proceeds from the issuance of debt of $142,034,000 (net of deferred debt expense), offset by repayments of debt of $39,878,000.

CERTAIN INDEBTEDNESS

As of December 31, 1997, debt consists of:

(1) First mortgage loans are comprised of:

(a) A $22,684,000 five year loan maturing February 24, 2000, secured principally by a mortgage on the Company's Fordham Road property. The loan bears annual interest at 10.22%. Beginning in 1998, all cash flow of the property (presently zero) after debt service, will further amortize the loan. The loan is prepayable without penalty.

(b) A $13,591,000 loan maturing December 31, 1998, secured principally by a mortgage on the Company's Paramus property. The loan bears interest at 8.19%. The loan is prepayable without penalty. In March 1998, the Company prepaid $3,591,000 of the loan with a portion of the proceeds from the condemnation of a portion of the property, reducing the principal balance of the loan to $10,000,000.

(2) A $75,000,000 loan, scheduled to mature in March 1998, was extended one year to March 1999. The loan is secured by mortgages on all of the Company's assets and/or pledges of the stock of subsidiaries owning the assets and/or guarantees of such subsidiaries and the parent. The loan bears interest at a blended rate of 12.93% per annum at December 31, 1997 and is comprised of two separate notes of $45,000,000 to Vornado and $30,000,000 to a bank. On March 15, 1998, the interest rate on the loan was reset to a blended rate of 11.50%, reflecting a reduction in both the spread and the underlying treasury rate. The loan is prepayable quarterly without penalty. No dividends can be paid unless required to maintain Real Estate Investment Trust ("REIT") status.

(3) The Company's $75,000,000 loan, collateralized by a mortgage on its Rego Park I property, which was scheduled to mature on March 30, 1998 has been extended to September 30, 1998. The loan bears interest at LIBOR plus 1.00% (currently 6.69%) and is guaranteed by the Company. In connection with the loan extension, the Company paid a fee of 1/8%. The Company expects to complete the refinancing of the loan through the issuance of rated commercial mortgage backed securities.

(4) In January 1995, the Seven Thirty One Limited Partnership ("the Partnership"), redeemed the first portion of the non-affiliated limited partners' interest by giving such limited partners a promissory note due on August 21, 1998 in the amount of $21,812,000 (the "Note"). The Note bears annual interest at Prime plus 1% (9.50% at December 31, 1997) and is secured by a third mortgage on the Lexington Avenue property. The loan is prepayable without penalty.

Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheets of Alexander's, Inc. and Subsidiaries (the "Company") as of December 31, 1997 and 1996 and the related consolidated statements of operations, stockholders' equity (deficiency) and cash flows for each of the three years in the period ended December 31, 1997. Our audits also included the financial statement schedules listed in the index at Item 14(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 generally accepted auditing standards. 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 financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 1997, and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles. 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.

DELOITTE & TOUCHE LLP

Parsippany, New Jersey
March 17, 1998

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(amounts in thousands except share amounts)

	December 31, 1997	December 31, 1996
ASSETS:		
Real estate, at cost:		
Land	$ 45,571	$ 45,999
Buildings, leaseholds and leasehold improvements	123,612	114,280
Capitalized expenses and predevelopment costs	47,163	47,488
Total	216,346	207,767
Less accumulated depreciation and amortization	(35,224)	(39,375)
	181,122	168,392
Investment in unconsolidated joint venture	10,611	12,613
Real estate, net	191,733	181,005
Cash and cash equivalents	2,691	5,480
Restricted cash	1,872	5,620
Receivable arising from condemnation proceedings	14,700	--
Accounts receivable, net of allowance for doubtful accounts of $147 in 1997 and 1996	1,064	201
Receivable arising from the straight-lining of rents, net	7,805	5,984
Deferred lease and other expenses	12,443	9,966
Deferred debt expense	783	2,364
Other assets	1,983	965
TOTAL ASSETS	$ 235,074	$ 211,585

See notes to consolidated financial statements

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (continued)
(amounts in thousands except share amounts)

	December 31, 1997	December 31, 1996
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Continuing Operations:		
Debt	$ 208,087	$ 192,347
Amounts due to Vornado Realty Trust and its affiliate	6,888	6,207
Accounts payable and accrued liabilities	4,174	4,246
Minority interest	600	600
Total continuing operations	219,749	203,400
Discontinued Retail Operations:		
Accounts payable and accrued liabilities	976	976
Liabilities subject to settlement under reorganization proceedings	1,320	1,646
Total discontinued retail operations	2,296	2,622
TOTAL LIABILITIES	222,045	206,022
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY:		
Preferred stock: no par value; authorized, 3,000,000 shares; issued, none		
Common stock: $1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares	5,174	5,174
Additional capital	24,843	24,843
Deficiency	(16,028)	(23,494)
	13,989	6,523
Less treasury shares, 172,600 shares at cost	(960)	(960)
Total stockholders' equity	13,029	5,563
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 235,074	$ 211,585

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,		
	1997	1996	1995
Revenues:			
Property rentals	$ 18,455	$ 15,952	$ 10,239
Expense reimbursements	2,668	1,872	1,188
Equity in income of unconsolidated joint venture	4,246	4,009	3,334
Total revenues	25,369	21,833	14,761
Expenses:			
Operating (including management fee of $840, $840 and $700 to Vornado)	7,459	5,562	3,807
General and administrative (including management fee of $2,160, $2,160 and $1,800 to Vornado)	3,933	4,402	4,820
Depreciation and amortization	2,714	2,128	1,858
Reorganization costs	--	--	1,938
Total expenses	14,106	12,092	12,423
Operating income	11,263	9,741	2,338
Interest and debt expense (including interest on loan from Vornado)	(13,430)	(13,934)	(13,156)
Interest and other income, net	719	2,918	1,716
Net gain from condemnation proceedings	8,914	--	--
Gain on reversal of liability for post-retirement healthcare benefits	--	14,372	--
Income (loss) before reversal of deferred taxes	7,466	13,097	(9,102)
Reversal of deferred taxes	--	--	1,406
Income (loss) from continuing operations	7,466	13,097	(7,696)
Income from discontinued operations	--	11,602	10,133
NET INCOME	$ 7,466	$ 24,699	$ 2,437
Net Income (Loss) Per Share (basic and diluted):			
Continuing operations	$ 1.49	$ 2.62	$ (1.54)
Discontinued operations	--	2.32	2.03
Net income	$ 1.49	$ 4.94	$ .49

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
(amounts in thousands)

	Common Stock	Additional Capital	Deficiency	Treasury Stock	Stockholders' Equity (Deficiency)
Balance, January 1, 1995	$5,174	$24,843	$(50,630)	$(960)	$(21,573)
Net income	--	--	2,437	--	2,437
Balance, December 31, 1995	5,174	24,843	(48,193)	(960)	(19,136)
Net income	--	--	24,699	--	24,699
Balance, December 31, 1996	5,174	24,843	(23,494)	(960)	5,563
Net income	--	--	7,466	--	7,466
Balance, December 31, 1997	$5,174	$24,843	$(16,028)	$(960)	$ 13,029

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Year Ended December 31,		
	1997	1996	1995
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss) from continuing operations	$ 7,466	$ 13,097	$ (7,696)
Adjustments to reconcile net income (loss) to net cash (used in) provided by continuing operating activities:			
Depreciation and amortization (including debt issuance costs)	4,494	4,105	4,687
Gain on reversal of postretirement healthcare liability	--	(14,372)	--
Straight-lining of rental income, net	(1,821)	(1,756)	(1,340)
Net gain from condemnation proceedings	(8,914)	--	--
Change in assets and liabilities:			
Accounts receivable	(863)	(21)	(137)
Note receivable	--	--	4,550
Distributions (investment) in excess of equity in income of unconsolidated joint venture	2,002	133	(4,285)
Amounts due to Vornado Realty Trust and its affiliate	(1,905)	(2,094)	(2,001)
Liability for postretirement healthcare benefits	--	(1,154)	(356)
Accounts payable and accrued liabilities	(73)	(143)	(502)
Other	(1,514)	2,352	(2,453)
Net cash (used in) provided by operating activities of continuing operations	(1,128)	147	(9,533)
Income from discontinued operations	--	11,602	10,133
Payment of liabilities of discontinued operations	(326)	(1,175)	(29,488)
Change in other liabilities of discontinued operations	--	(2,000)	(4,322)
Net cash (used in) provided by discontinued operations	(326)	8,427	(23,677)
Net cash (used in) provided by operating activities	(1,454)	8,574	(33,210)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to real estate	(20,625)	(32,314)	(45,933)
Cash restricted for construction financing	3,203	2,057	(6,181)
Cash restricted for operating liabilities	545	9,228	(10,724)
Net cash used in investing activities	(16,877)	(21,029)	(62,838)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of debt	16,667	10,527	147,806
Debt repayments	(926)	(1,063)	(39,878)
Deferred debt expense	(199)	--	(5,772)
Net cash provided by financing activities	15,542	9,464	102,156
Net (decrease) increase in cash and cash equivalents	(2,789)	(2,991)	6,108
Cash and cash equivalents at the beginning of the period	5,480	8,471	2,363
Cash and cash equivalents at the end of the period	$ 2,691	$ 5,480	$ 8,471
SUPPLEMENTAL INFORMATION			
Cash payments for interest	$ 20,729	$ 20,140	$ 16,352
Capitalized interest	$ 9,079	$ 8,552	$ 6,575

The 1995 amounts exclude an increase in real estate of $20,838 and debt of $21,812 and a reduction in minority interest of $974 as a result of the Company acquiring a partnership interest.

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

Alexander's is a real estate investment trust engaged in the business of leasing, managing, developing and redeveloping real estate properties, focusing on the properties where its department stores (which ceased operations in 1992) formerly operated. The Company's properties are located in mature, densely populated areas in New York City and Paramus, New Jersey.

In May 1992, at a time when the Company's business consisted of retail store operations, the Company and sixteen of its subsidiaries filed petitions for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). In September 1993, the Bankruptcy Court confirmed the Joint Plan of Reorganization (the "Plan"), pursuant to which the Company and its subsidiaries reorganized their business as a real estate company.

In March 1995, the Company paid holders of allowed general unsecured claims in full, together with accrued interest in respect of their claims. Such payments aggregated approximately $24,000,000. The Official Committee of Unsecured Creditors has been dissolved and all secured and unsecured creditors having allowed claims in the Bankruptcy Court cases have received the cash payments or debt instruments contemplated to be delivered to them under the Plan.

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

The Company estimates that the fair market values of its assets are substantially in excess of their historical cost, and that it has additional borrowing capacity. Alexander's continues to evaluate its needs for capital, which may be raised through (a) property specific or corporate borrowing, (b) the sale of securities and (c) asset sales. Although there can be no assurance, the Company believes that these cash sources will be adequate to fund cash requirements until its operations generate adequate cash flow.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation -- The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, and a partnership in which the Company held a majority interest at December 31, 1997. Investments in real estate and other property which are 50% owned joint ventures are accounted for under the equity method. All intercompany accounts and transactions have been eliminated.

The consolidated financial statements are prepared in conformity with generally accepted accounting principles. Management has made 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.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and Cash Equivalents -- The Company includes in cash and cash equivalents both cash and short-term highly liquid investments purchased with original maturities of three months or less. Cash and cash equivalents does not include cash restricted for construction financing and operating liabilities which is disclosed separately.

Fair Value of Financial Instruments - All financial instruments of the Company are reflected in the accompanying Consolidated Balance Sheets at amounts which, in management's estimation, based upon an interpretation of available market information and valuation methodologies (including discounted cash flow analyses with regard to fixed rate debt) are considered appropriate, and reasonably approximate their fair values. Such fair value estimates are not necessarily indicative of the amounts that would be realized upon disposition of the Company's financial instruments.

Real Estate and Other Property -- Real estate and other property is carried at cost, net of accumulated depreciation. Depreciation is provided on buildings and improvements on a straight-line basis over their estimated useful lives. When real estate and other property 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 policy is to annually assess any impairment in value by making a comparison of the current and projected operating cash flows of each of its properties over its remaining useful life on an undiscounted basis, to the carrying amount of such property. Such carrying amount would be adjusted, if necessary, to reflect an impairment in the value of the asset.

Deferred Lease Expense -- The Company capitalizes the costs incurred in connection with obtaining long-term leases. Deferred lease expense is amortized on the straight-line method over the initial terms of the leases.

Deferred Finance and Debt Expense -- The Company capitalizes the costs incurred in connection with obtaining short-term or long-term debt or refinancing existing debt. These costs are amortized on the straight-line method over the initial terms of the debt, which approximates the interest method.

Leases -- All leases are operating leases whereby rents and reimbursements of operating expenses are recorded as real estate operating revenue. The straight-line basis is used to recognize rents under leases entered into which provide for varying rents over the lease terms.

Income Taxes -- The Company elected, with its federal income tax return for 1995, to be taxed as a real estate investment trust ("REIT") under sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"). To qualify for taxation as a REIT, the Company must meet various federal income tax law requirements. In general, a REIT that distributes to its stockholders at least 95% of its taxable income as a dividend for a taxable year and that meets certain other conditions will not be taxed on income distributed that year.

The net basis in the Company's assets and liabilities for tax purposes is approximately $74,000,000 lower than the amount reported for financial statement purposes.

Amounts Per Share - In 1997, the Financial Accounting Standards Board issued Statement No. 128 "Earnings Per Share" (SFAS No. 128). SFAS No. 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants and convertible securities. No restatement of prior periods were required because the amounts did not change.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. INVESTMENT IN UNCONSOLIDATED 50% OWNED JOINT VENTURE (KINGS PLAZA MALL)

The Kings Plaza Shopping Center (the "Center") comprises a two-level mall (the "Kings Plaza Mall"), and two four-level anchor stores. The Company owns one anchor store in the Center (leased to Sears for use as a full-line department store which opened in October 1997) and an undivided one-half interest in the Kings Plaza Mall. The other anchor store is owned and operated as a Macy's store by Federated Department Stores, Inc. ("Federated").

Summary financial information for the Kings Plaza Mall is as follows:

	Year Ended December 31,		Six Months Ended	Fiscal Year Ended
	1997	1996	Dec. 31, 1995	June 30, 1995
Operating revenue	$30,203,000	$26,530,000	$14,571,000	$24,828,000
Operating costs	19,040,000	16,511,000	9,035,000	18,176,000
Depreciation and amortization	1,418,000	1,269,000	593,000	1,101,000
Interest expense	710,000	838,000	465,000	1,204,000
	21,168,000	18,618,000	10,093,000	20,481,000
Income before taxes	$ 9,035,000	$ 7,912,000	$ 4,478,000	$ 4,347,000
Assets	$33,400,000	$35,400,000	$40,700,000	$28,100,000
Liabilities	$15,200,000	$16,300,000	$20,100,000	$14,900,000

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

Such contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Center intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Center has not recorded an asset as of December 31, 1997 for potential recoveries of environmental remediation costs from other parties.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. DISCONTINUED OPERATIONS

The Company recorded income from discontinued operations of $11,602,000 in 1996, and $10,133,000 in 1995 of which $9,602,000 and $6,133,000 resulted from the settlement of tax certiorari proceedings and $2,000,000 and $4,000,000 resulted from the reduction of other liabilities of discontinued operations to amounts considered necessary to cover the remaining estimates of these liabilities. Management periodically evaluates the reserves and adjusts them accordingly. A reconciliation of the liabilities from the discontinued retail operations is as follows:

	Year Ended December 31,		
	1997	1996	1995
Balance at beginning of period	$ 2,622,000	$ 5,797,000	$ 43,160,000
Adjustments during period	--	(2,000,000)	(4,000,000)
Utilized during period	(326,000)	(1,175,000)	(33,363,000)
Balance at end of period	$ 2,296,000	$ 2,622,000	$ 5,797,000

5. DEBT

Debt comprises:

	December 31,	
	1997	1996
First mortgage loan, secured by the Company's Fordham Road property (1)	$ 22,684,000	$ 23,611,000
First mortgage loan, secured by Company's Paramus property (2)	13,591,000	13,591,000
Term loans (3)	75,000,000	75,000,000
Construction loan, secured by the Company's Rego Park I property (4)	75,000,000	58,333,000
Secured note (5)	21,812,000	21,812,000
	$208,087,000	$192,347,000

(1) A five year loan which matures in February 2000. The loan bears annual interest at LIBOR plus 4.25% (10.22% at December 31, 1997). Beginning in 1998, all cash flow of the property (presently zero) after debt service, will further amortize the loan. The loan is prepayable without penalty.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) The loan matures on December 31, 1998. The loan bears interest at 2.50% above the one-year U.S. Treasury bill rate (8.19% at December 31, 1997). The loan is prepayable at any time. In March 1998, the Company prepaid $3,591,000 of the loan with a portion of the proceeds from the condemnation of a portion of the property, reducing the principal balance of the loan to $10,000,000.

(3) The term loan, scheduled to mature in March 1998, was extended one year to March 1999. The loan is secured by mortgages on all of the Company's assets and/or pledges of the stock of subsidiaries owning the assets and/or guarantees of such subsidiaries and the parent. The loan bears interest at a blended rate of 12.93% per annum at December 31, 1997 and is comprised of two separate notes of $45,000,000 to Vornado and $30,000,000 to a bank. On March 15, 1998, the interest rate on the loan was reset to a blended rate of 11.50%, reflecting a reduction in both the spread and the underlying treasury rate. The loan is prepayable quarterly without penalty. No dividends can be paid unless required to maintain Real Estate Investment Trust ("REIT") status.

(4) The Company's $75,000,000 loan, collateralized by a mortgage on its Rego Park I property, which was scheduled to mature on March 30, 1998 has been extended to September 30, 1998. The loan bears interest at LIBOR plus 1.00% (currently 6.69%) and is guaranteed by the Company. In connection with the loan extension, the Company paid a fee of 1/8%. The Company expects to complete the refinancing of the loan through the issuance of rated commercial mortgage backed securities.

(5) The note matures on August 21, 1998 and is secured by a third mortgage on the Lexington Avenue property. The note bears annual interest at Prime plus 1% (9.50% at December 31, 1997).

A summary of maturities of debt at December 31, 1997, is as follows:

Year ended December 31,		
1998	$185,974,000	($75,000,000 of which has been extended to 1999--see below)
1999	628,000	
2000	21,485,000	
	$208,087,000	

All of the Company's debt is secured by mortgages and/or pledges of the stock of subsidiaries holding the properties. The net carrying value of real estate collateralizing the debt amounted to $181,122,000 at December 31, 1997.

6. LEASES

As Lessor

The Company leases properties to tenants. The rental terms for the properties leased range from 10 years to approximately 34 years. The leases provide for the payment of fixed base rentals payable monthly in advance and for the payment by the lessees of additional rents based on a percentage of the tenants' sales as well as reimbursements of real estate taxes, insurance and maintenance.

Future base rental revenue under these noncancellable operating leases is as follows:

Year Ending December 31,	Total Amounts
1997	$ 16,333,000
1998	16,717,000
1999	16,740,000
2000	17,164,000
2001	17,479,000
Thereafter	406,222,000

The following tenants accounted for more than 10% of the Company's consolidated revenues:

	Years Ended December 31,		
	1997	1996	1995
Caldor	22%	36%	56%
Sears	31%	23%	--

In September 1995, Caldor filed for relief under Chapter 11 of the United States Bankruptcy Code. Caldor rejected its Fordham Road lease effective June 6, 1997 and accordingly, no longer pays rent; Alexander's has filed a claim for damages based on such rejection. The annual base rental under this lease was $3,537,000. The loss of property rental payments, if any, under the Caldor lease for the Flushing property, could have a material adverse affect on the Company's financial condition and results of operations.

As Lessee

The Company is a tenant under a long-term lease for the Flushing property which expires on January 31, 2027. Future minimum lease payments under the operating lease are as follows:

Year Ending December 31,	Total Amounts
1998	$ 331,000
1999	331,000
2000	331,000
2001	331,000
2002	331,000
Thereafter	5,024,000

Rent expense was $331,000, $496,000 and $496,000 for the years ended December 31, 1997, 1996 and 1995, respectively.

7. INTEREST AND OTHER INCOME, NET

Interest and other income, net is comprised of:

	Year Ended December 31,		
	1997	1996	1995
Interest income	$ 522,000	$1,009,000	$1,601,000
Reimbursement of expenses from joint venture partner	197,000	764,000	--
Refund of previously paid taxes	--	199,000	115,000
Amortization of deferred gain on post retirement benefit	--	794,000	--
Workers compensation insurance refund	--	152,000	--
	$ 719,000	$2,918,000	$1,716,000

8. 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 ("NOL") carryovers generally would be available to offset the amount of the Company's REIT taxable income that otherwise would be required to be distributed as a dividend to its stockholders. In addition, the Company had a deferred tax liability of approximately $1,406,000 at December 31, 1994, which amount was reversed in 1995 when the Company elected to be taxed as a REIT.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company has reported NOL carryovers for federal tax purposes of approximately $156,000,000 at December 31, 1997, expiring from 2005 to 2012. The Company also had investment tax and targeted jobs tax credits of approximately $3,000,000 expiring in 2002 through 2005.

9. RELATED PARTY TRANSACTIONS

Steven Roth is Chief Executive Officer and a Director of the Company, the Managing General Partner of Interstate Properties ("Interstate") and Chairman of the Board and Chief Executive Officer of Vornado Realty Trust ("Vornado"). Interstate owns 27.1% of the outstanding common stock of the Company and owns 17.9% of the outstanding common shares of beneficial interest of Vornado. In addition, Mr. Roth owns 2.2% of the outstanding common shares of beneficial interest of Vornado. Mr. Roth, Interstate and the other two general partners of Interstate, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of the Company and trustees of Vornado) own, in the aggregate, 21.3% of the outstanding common shares of beneficial interest of Vornado. Vornado owns 29.3% of the outstanding common stock of the Company.

The Company is managed by and its properties are redeveloped and leased by Vornado, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable.

The annual management fee payable by the Company to Vornado is $3,000,000, plus 6% of development costs with minimum guaranteed fees of $750,000 per annum. The leasing agreement provides for the Company to pay a fee to Vornado equal to (i) 3% of the gross proceeds, as defined, from the sale of an asset, and (ii) in the event of a lease or sublease of an asset, 3% of lease rent for the first ten years of a lease term, 2% of lease rent for the eleventh through the twentieth years of a lease term and 1% of lease rent for the twenty-first through thirtieth year of a lease term. Subject to the payment of rents by tenants, the Company owes Vornado $6,244,000 at December 31, 1997. Such amount is 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 it been paid on September 21, 1993, or at the time the transactions which gave rise to the Commissions occurred, if later.

In March 1995, the Company borrowed $45,000,000 from Vornado, the subordinated tranche of a $75,000,000 secured financing. The Company incurred interest on the loan of $7,214,000 and $7,517,000 for the years ended December 31, 1997 and 1996, of which $4,815,000 and $3,989,000 was capitalized.

The agreement with Vornado and Interstate not to own in excess of two-thirds of the Company's common stock expired in March 1998.

During the years ended December 31, 1997, 1996 and 1995, Vornado through Interstate was paid $398,000, $1,007,000, and $463,000, respectively, by the Kings Plaza Shopping Center for performing leasing services. The Company owns 50% of the Kings Plaza Shopping Center.

10. COMMITMENTS AND CONTINGENCIES

Lexington Avenue

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

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Letters of Credit

Approximately $3,900,000 in standby letters of credit were issued at December 31, 1997.

11. STOCK OPTION PLAN

Under the Omnibus Stock Plan (the "Plan"), approved by the Company's stockholders on May 22, 1996, directors, officers, key employees, employees of Vornado Realty Trust and any other person or entity as designated by the Omnibus Stock Plan Committee are eligible to be granted incentive share options and non-qualified options to purchase common shares. Options granted are at prices equal to 100% of the market price of the Company's shares at the date of grant, vest on a graduated basis, becoming fully vested 60 months after grant and expire ten years after grant. The Plan also provides for the award of Stock Appreciation Rights, Performance Shares and Restricted Stock, as defined, none of which have been awarded as of December 31, 1997.

If compensation cost for Plan awards had been determined based on fair value at the grant dates, net income and income per share would have been reduced to the pro forma amounts below, for the years ended December 31, 1997 and 1996:

	1997	1996
Net income:		
As reported	$ 7,466,000	$ 24,699,000
Pro-forma	$ 5,512,000	$ 24,495,000
Net income per share applicable to common shareholders:		
As reported	$ 1.49	$ 4.94
Pro-forma	$ 1.10	$ 4.90

The fair value of each option grant is estimated on the date of grant using the Binomial option-pricing model with the following weighted-average assumptions used for grants in the period ended December 31, 1996 (no options were granted in the year ended December 31, 1997):

Expected volatility	19%
Expected life	10 years
Risk-free interest rate	5.9%
Expected dividend yield	0%

A summary of the Plan's status, and changes during the years ended December 31, 1997 and 1996, are presented below:

	December 31, 1997		December 31, 1996	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at January 1	350,000	$73.88	--	--
Granted	--	--	350,000	$73.88
Exercised --	--	--	--	
Outstanding at December 31	350,000	$73.88	350,000	$73.88
Options exercised at December 31	--		--	
Weighted-average fair value of options granted during the year ended December 31 (per option)	--		$35.04	

The following table summarizes information about options outstanding under the Plan at December 31, 1997:

Exercise price	$ 73.88
Options outstanding:	
Number outstanding at December 31, 1997	350,000
Weighted-average remaining contractual life	8.9 Years
Weighted-average exercise price	$ 73.88
Options exercisable:	
Number exercisable at December 31, 1997	70,000
Weighted-average exercise price	$ 73.88

Shares available for future grant at December 31, 1997 were 700,000.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	December 31, 1997	1996	1995
Numerator:			
Income (loss) from continuing operations	$7,466,000	$13,097,000	$(7,696,000)
Denominator:			
Denominator for basic earnings per share - weighted average shares	5,000,850	5,000,850	5,000,850
Effect of dilutive securities:			
Employee stock options	8,302	--	--
Denominator for diluted earnings per share - adjusted weighted average shares and assumed conversions	5,009,152	5,000,850	5,000,850
Basic and diluted earnings (loss) per share	$ 1.49	$ 2.62	$ (1.54)

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Year Ended December 31, 1997				Year Ended December 31, 1996			
	Quarter Ended				Quarter Ended			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Total Revenues	$ 5,998	$ 6,761	$ 6,016	$ 6,594	$ 4,684	$ 5,686	$ 5,379	$ 6,084
Income (loss) from continuing operations	(208)	183	(135)	7,626(1)	(462)	53	(630)	14,136(2)
Income from discontinued operations	--	--	--	--	--	11,602(3)	--	--
Net income (loss)	$ (208)	$ 183	$ (135)	$ 7,626	$ (462)	$11,655	$ (630)	$14,136
Income (loss) per common share (basic and diluted):								
Continuing operations	$ (.04)	$ .04	$ (.03)	$ 1.52	$ (.09)	$ .01	$ (.13)	$ 2.83
Discontinued operations (3)	--	--	--	--	--	2.32	--	--
Net income (loss)	$ (.04)	$ .04	$ (.03)	$ 1.52	$ (.09)	$ 2.33	$ (.13)	$ 2.83

(1) Includes gain of $8,914,000 from the condemnation of a portion of the Paramus property net of the write-off of the carrying value of the building of $5,786,000.

(2) Includes gain on reversal of postretirement healthcare liability in the amount of $14,372,000.

(3) Comprised of (i) $9,602,000 upon completion of a tax certiorari proceeding and (ii) $2,000,000 from the reduction of other liabilities of discontinued operations to amounts considered necessary to cover the remaining estimates of these liabilities.

PART III

Item 10. Directors and Executive Officers of the Registrant

Information relating to directors and executive officers of the Company will be contained in a definitive Proxy Statement involving the election of directors which the Company will file with the Securities and Exchange Commission pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, not later than 120 days after December 31, 1997, and such information is incorporated herein by reference. Information relating to Executive Officers of the Registrant appears on page 11 of this Annual Report on Form 10-K.

Item 11. Executive Compensation

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

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information relating to security ownership of certain beneficial owners and management will be contained in the Proxy Statement referred to in Item 10, "Directors and Executive Officers of the Registrant", and such information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

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

PART IV

ITEM 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) Documents filed as part of this Report

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

2. Financial Statement Schedules.

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 consolidated financial 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 53

(b) Reports on Form 8-K

During the last quarter of the period covered by this Annual Report on Form 10-K, no reports on Form 8-K were filed.

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, Vice President,
Chief Financial Officer

Date: March 17, 1998

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	Chief Executive Officer and Director (Principal Executive Officer)	March 17, 1998
/s/ Thomas R. DiBenedetto Thomas R. DiBenedetto	Director	March 17, 1998
/s/ Michael D. Fascitelli Michael D. Fascitelli	Director	March 17, 1998
/s/ David Mandelbaum David Mandelbaum	Director	March 17, 1998
/s/ Stephen Mann Stephen Mann	Director	March 17, 1998
/s/ Arthur I. Sonnenblick Arthur I. Sonnenblick	Director	March 17, 1998
/s/ Neil Underberg Neil Underberg	Director	March 17, 1998
/s/ Richard West Richard West	Director	March 17, 1998
/s/ Russell B. Wight, Jr. Russell B. Wight, Jr.	Director	March 17, 1998

ALEXANDER'S, INC. AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
DECEMBER 31, 1997
(amounts in thousands)

	Column A	Column B	Column C	Column D	Column E		Column F	Column G
		Initial Cost to Company (2)			Gross Amount at Which Carried at Close of Period-			
Description	Encumbrances	Land	Building, Leaseholds and Leasehold Improvements	Cost Capitalized Subsequent to Acquisition(3)	Land	Buildings, Leasehold and Leasehold Improvements	Capitalized Expenses and Pre-development Costs	Total(3)
Commercial Property:								
New York City,								
New York:								
Fordham Rd.	$ 22,684	$ 2,301	$9,258	--	$ 2,301	$ 9,258	--	$ 11,559
Third Avenue	-	1,201	4,437	--	1,201	4,437	--	5,638
Rego Park I	75,000	1,647	8,953	$ 56,713	1,647	65,666	--	67,313
Rego Park II	-	3,906	1,467	411	3,906	1,566	$ 312	5,784
Flushing	-	-	1,660	--	--	1,660	--	1,660
Lexington Ave.	21,812	14,432	12,355	61,576	33,979	13,647	40,737	88,363
Flatbush Ave. and Avenue U		497	9,542	16,032	497	25,574	--	26,071
Total New York		23,984	47,672	134,732	43,531	121,808	41,049	206,388
New Jersey - Paramus	13,591	1,441	--	3,990	1,441	--	3,990	5,431
Other Properties		599	1,804	2,124	599	1,804	2,124	4,527
Other secured debt	75,000 (1)							
TOTAL	$208,087	$26,024	$49,476	$140,846	$45,571	$123,612	$47,163	$216,346

	Column H	Column I	Column J	
Description	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired (2)	Life on Which Depreciation in Latest Income Statement is Computed
Commercial Property:				
New York City,				
New York:				
Fordham Rd.	$ 6,795	1933	1992	4-40 years
Third Avenue	3,068	1928	1992	13 years
Rego Park I	10,472	1959	1992	6-40 years
Rego Park II	1,445	1965	1992	5-39 years
Flushing	1,620	1975(4)	1992	10-22 years
Lexington Ave.	3,754	1965	1992	29 years
Flatbush Ave. and Avenue U	6,267	1970	1992	20-40 years
Total New York	33,421			
New Jersey - Paramus	--	1962	1992	5-40 years
Other Properties	1,803	Various	1992	7-25 years
Other secured debt				
TOTAL	$ 35,224			

(1) The loan, scheduled to mature in March 1998, was extended one year to March 1999. The loan is secured by mortgages on all of the Company's assets and/or pledges of the stock of subsidiaries owning the assets and/or guarantees of such subsidiaries and the parent.

(2) Initial cost is as of May 15, 1992 (the date on which the Company commenced real estate operations) unless acquired subsequent to that date. See Column J.

(3) The net basis in the Company's assets and liabilities for tax purposes is approximately $74,000,000 lower than the amount reported for financial statement purposes.

(4) Date represents lease acquisition date.

ALEXANDER'S, INC. AND SUBSIDIARIES

SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION
(amounts in thousands)

	December 31, 1997	December 31, 1996
REAL ESTATE:		
ACCUMULATED DEPRECIATION:		
Balance at beginning of period	$ 207,767	$ 175,485
Additions during the period:		
Land	--	--
Buildings, leaseholds and leasehold improvements (including $242 of construction in progress at December 31, 1996)	16,569	18,136
Capitalized expenses and predevelopment costs	4,056	14,322
	228,392	207,943
Less: Write-off of the Paramus property	(12,046)	--
Disposition of property	--	(176)
Balance at end of period	$ 216,346	$ 207,767
Balance at beginning of period	$ 39,375	$ 37,794
Additions charged to operating expenses	2,109	1,611
	41,484	39,405
Less: Write-off of the Paramus property	(6,260)	--
Disposition of property	--	(30)
Balance at end of period	$ 35,224	$ 39,375

INDEPENDENT AUDITORS' REPORT

To the Co-Venturers
Kings Plaza Shopping Center and Marina
Brooklyn, New York

We have audited the accompanying balance sheets of Kings Plaza Shopping Center and Marina (a joint venture) as of December 31, 1997 and 1996, and the related statements of earnings, equity of the co-venturers and cash flows for the years ended December 31, 1997 and 1996, the six months ended December 31, 1995 and for the year ended June 30, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 financial statements present fairly, in all material respects, the financial position of Kings Plaza Shopping Center and Marina at December 31, 1997 and 1996, and the results of its operations and its cash flows for the years ended December 31, 1997 and 1996, the six months ended December 31, 1995 and the year ended June 30, 1995 in conformity with generally accepted accounting principles.

February 6, 1998

Deloitte & Touche LLP
Parsippany, New Jersey

KINGS PLAZA SHOPPING CENTER AND MARINA
(A JOINT VENTURE)

BALANCE SHEETS

	December 31,	
ASSETS:	1997	1996
Cash	$ 3,531,861	$ 1,398,813
Amounts due from tenants, less allowance for doubtful accounts of $211,000 and $230,000	608,057	1,243,437
Receivable arising from the straight-lining of rental income, net	1,604,869	815,622
Notes receivable	--	8,855
Prepaid expenses and other assets	574,780	516,332
Prepaid real estate tax expense-tax certiorari proceedings	820,198	5,633,679
Property and equipment, at cost:		
Land	4,219,795	4,219,795
Land improvements	1,503,417	1,503,417
Buildings and building equipment	48,571,692	46,690,716
Fixtures and equipment	62,856	62,856
Parking lot toll equipment	2,555,957	2,555,957
	56,913,717	55,032,741
Less accumulated depreciation	33,124,443	31,773,904
	23,789,274	23,258,837
Deferred charges, less accumulated amortization of $3,970,000 and $3,357,000	2,510,606	2,561,783
TOTAL ASSETS	$33,439,645	$35,437,358
LIABILITIES AND EQUITY:		
LIABILITIES:		
Accounts payable	$ 788,350	$ 506,788
Accrued expenses	806,738	487,916
Estimated environmental remediation costs	1,500,000	--
Mortgage notes payable	6,523,772	7,890,836
Accrued interest payable	53,060	64,179
Amounts due tenants - tax certiorari proceedings	5,518,351	7,000,180
Liabilities subject to settlement under reorganization proceeding	--	346,669
Total liabilities	15,190,271	16,296,568
COMMITMENTS AND CONTINGENCIES		
Equity of the co-venturers	18,249,374	19,140,790
TOTAL LIABILITIES AND EQUITY	$33,439,645	$35,437,358

See notes to financial statements.

KINGS PLAZA SHOPPING CENTER AND MARINA
(A JOINT VENTURE)

STATEMENTS OF EARNINGS

	Year Ended December 31, 1997	Year Ended December 31, 1996	Six Months Ended December 31, 1995	Year Ended June 30, 1995
Revenues:				
Rent	$ 14,940,482	$ 12,994,912	$ 7,062,404	$ 11,995,203
Expense reimbursements:				
Central heating, cooling, air handling and electricity	2,525,417	2,459,496	1,247,501	2,435,660
Real estate taxes	1,782,060	1,599,985	904,312	2,968,046
Common area	6,467,201	5,833,560	2,682,261	3,841,110
Parking lot	2,078,697	1,938,748	1,085,073	2,094,210
Miscellaneous income	2,408,590	1,703,209	1,589,618	1,493,760
	30,202,447	26,529,910	14,571,169	24,827,989
Expenses:				
Central heating, cooling, air handling and electricity	4,638,159	4,736,774	2,215,391	4,779,409
Real estate taxes	1,958,117	1,845,382	915,749	3,152,717
Common area	4,002,653	4,039,642	2,065,609	3,993,106
Parking lot	3,454,875	3,009,643	1,553,262	3,180,002
Insurance and other expenses	1,083,267	1,092,931	1,140,610	1,206,884
Rent	71,156	71,156	35,578	71,156
Management, leasing and publicity	2,331,672	1,714,950	1,108,901	1,792,368
Environmental remediation	1,500,000	--	--	--
Depreciation	1,350,539	1,226,630	565,482	1,056,038
Amortization	67,723	42,609	27,590	44,727
	20,458,161	17,779,717	9,628,172	19,276,407
Operating income	9,744,286	8,750,193	4,942,997	5,551,582
Interest expense	(709,716)	(838,247)	(464,607)	(1,204,658)
NET EARNINGS	$ 9,034,570	$ 7,911,946	$ 4,478,390	$ 4,346,924

See notes to financial statements.

KINGS PLAZA SHOPPING CENTER AND MARINA
(A JOINT VENTURE)

STATEMENTS OF EQUITY OF THE CO-VENTURERS

	Year Ended December 31, 1997	Year Ended December 31, 1996	Six Months Ended December 31, 1995	Year Ended June 30, 1995
BALANCE, BEGINNING OF PERIOD	$ 19,140,790	$ 20,524,510	$ 13,185,266	$ 14,297,104
Payments to the co-venturers	(9,925,986)	(9,295,666)	(1,442,833)	(6,743,226)
Advances from the co-venturers	--	--	1,442,833	1,284,464
Reversal of previously accrued real estate taxes	--	--	2,860,854	--
Net earnings	9,034,570	7,911,946	4,478,390	4,346,924
BALANCE, END OF PERIOD	$ 18,249,374	$ 19,140,790	$ 20,524,510	$ 13,185,266

See notes to financial statements.

KINGS PLAZA SHOPPING CENTER AND MARINA
(A JOINT VENTURE)

STATEMENTS OF CASH FLOWS

	Year Ended December 31, 1997	Year Ended December 31, 1996	Six Months Ended December 31, 1995	Years Ended June 30, 1995
Cash flows from operating activities				
Net earnings	$ 9,034,570	$ 7,911,946	$ 4,478,390	$ 4,346,924
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation	1,350,539	1,226,630	565,482	1,056,038
Amortization (including deferred charges)	613,039	247,459	171,749	287,752
Change in assets and liabilities:				
Decrease (increase) in amounts due from tenants	635,381	547,948	(948,459)	(2,226)
Increase in straight-lining of rental income	(789,247)	(150,492)	(571,672)	(93,458)
Increase in deferred charges	(561,862)	(465,826)	(515,423)	(465,535)
Increase (decrease) in accounts payable and accrued expenses (including accrued real estate taxes)	203,714	(1,153,930)	(2,458,065)	1,514,948
Estimated environmental remediation costs	1,500,000	--	--	--
Decrease in accrued interest payable	(11,119)	(10,373)	(4,923)	(2,944,727)
(Decrease) increase in amounts due to tenants	(1,431,830)	(1,391,774)	8,263,888	--
Decrease (increase) in prepaid expenses and other assets	4,755,035	3,711,977	(6,000,925)	290,550
Net cash provided by operating activities	15,298,220	10,473,565	2,980,042	3,990,266
Cash flows from investing activities:				
Additions to buildings and building equipment	(1,880,977)	(2,509,501)	(1,135,025)	(1,078,664)
Decrease in note receivable	8,855	--	2,132	12,145
Net cash used in investing activities	(1,872,122)	(2,509,501)	(1,132,893)	(1,066,519)
Cash flows from financing activities:				
Payments to co-venturers	(9,925,986)	(9,295,666)	(1,442,833)	(6,743,226)
Advances from co-venturers	--	--	1,442,833	1,284,464
Repayments of mortgage note	(1,367,064)	(1,275,414)	(605,275)	(3,105,031)
Net cash used in financing activities	(11,293,050)	(10,571,080)	(605,275)	(8,563,793)
Net increase (decrease) in cash	2,133,048	(2,607,016)	1,241,874	(5,640,046)
Cash, beginning of period	1,398,813	4,005,829	2,763,955	8,404,001
Cash, end of period	$ 3,531,861	$ 1,398,813	$ 4,005,829	$ 2,763,955
Supplemental disclosure of cash flow information:				
Interest paid	$ 720,834	$ 848,621	$ 469,531	$ 4,111,697

Supplemental disclosure of noncash financing activities - see Note 9.

See notes to financial statements.

KINGS PLAZA SHOPPING CENTER AND MARINA
(A Joint Venture)

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

Kings Plaza Shopping Center of Avenue U, Inc. (a wholly-owned subsidiary of Federated Department Stores, Inc. (formerly R.H. Macy & Co. Inc. ("Macy's")) and Alexander's Department Stores of Brooklyn, Inc. (wholly-owned by Alexander's, Inc. ("Alexander's")), formed a joint venture for the purpose of owning and operating the Kings Plaza Shopping Center and Marina ("Center"), including the energy plant servicing the entire shopping center, but exclusive of the Macy's and Alexander's stores and land thereunder located in the Center. The co-venturers each have an undivided 50% interest as tenants in common in the property and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - The financial statements are prepared in conformity with generally accepted accounting principles. Management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

   Certain amounts have been reclassified for prior years to conform to 1997 presentation.

b. Property and Equipment - Property and equipment is stated at cost. Depreciation of property and equipment is provided on a straight-line basis over the following periods:

Land improvements	10-50 years
Buildings and building equipment	20-50 years
Fixtures and equipment	10 years
Parking lot toll equipment	10 years

   Additions and improvements to property and equipment are capitalized and depreciated over their estimated remaining lives. Maintenance and repairs are charged to operations as incurred.

   Management of the Center assesses any impairment in value by making a comparison of the current and projected operating cash flow of the Center into the foreseeable future on an undiscounted basis, to the carrying amount of such property. Such carrying amount would be adjusted, if necessary, to reflect an impairment in the value of an asset.

c. Deferred Charges - Deferred charges include lease commissions and other costs paid to tenants to acquire the rights to their leased space. Lease commissions are amortized on a straight-line basis over the life of the applicable leases. Other lease acquisition costs are amortized over the life of the respective leases.

d. Revenue Recognition - Base rents, additional rent based on tenant's sales volume and reimbursement of the tenant's share of certain operating expenses are generally recognized when due from tenants. The straight-line basis is used to recognize base rents on the leases which provide for varying rents over the lease terms.

e. Environmental Remediation Costs - The Center accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably determinable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value. Recoveries of environmental remediation costs from other parties are recorded as assets when their receipt is deemed probable.

3. MORTGAGE NOTES PAYABLE

The mortgage notes payable were issued by the co-venturers. The notes are collateralized by a mortgage on all property and equipment, and by assignment of leases and charges due thereunder. Mortgage notes payable consists of the following:

	December 31, 1997	December 31, 1996
Alexander's note payable in quarterly installments of $235,507 (including interest at 7%) plus additional interest at 1.5% on the outstanding balance, due through December 2001	$3,261,886	$3,945,418
Macy's note payable in quarterly installments of $235,507 (including interest at 7%) plus additional interest at 4.02% on the outstanding balance, due through December 2001	3,261,886	3,945,418
	$6,523,772	$7,890,836

4. COMMITMENTS

a. Joint Venture as Lessor - The joint venture leases space to tenants in its shopping center for which the Center charges fixed minimum rents. The terms of the leases are generally ten years and provide for fixed minimum rents as follows:

Year Ending December 31,	Total Amounts
1998	$ 14,072,871
1999	13,427,332
2000	12,824,664
2001	11,268,632
2002	9,559,418
Subsequent to 2002	46,843,584
	$ 107,996,501

In addition to minimum rents, most of the leases provide for percentage rents when the tenants' sales volumes exceed stated amounts per lease agreements and reimbursements for certain of the Center's operating expenses. During the six months ended December 31, 1995, the Center adjusted its billings to tenants for certain reimbursable expenses in accordance with the lease agreements. This adjustment gave rise to an increase of approximately $600,000 in other income attributable to the portion of the tenants' lease year included in the Center's year ended June 30, 1995.

b. Joint Venture as Lessee - The joint venture leases certain real property from the City of New York. The lease extends to January 2020 at annual rentals (payable quarterly in advance) in future periods as follows:

Year Ending December 31,	Rental Commitment
1998	$ 78,272
1999	85,387
2000	85,387
2001	85,387
2002	85,387
Subsequent to 2002	1,494,268
	$ 1,914,088

The lessee may extend the lease for a total of another forty-nine years, with individual renewal options and annual rentals of $122,957, $147,548, $177,058, $212,470 and $254,964, for each succeeding ten-year period and the final nine-year period.

5. FEDERAL INCOME TAX

The Center is not subject to Federal income tax. The income or loss of the joint venture is reportable by the co-venturers in proportion to their respective investment in the joint venture. Similar circumstances apply to state and city income taxes. Further, any investment credit realized by the joint venture is passed on to the co-venturers. Accordingly, no provision or liabilities for Federal, state or city income taxes are required to be reflected on the books of the Center.

6. RELATED PARTY TRANSACTIONS

Steven Roth is Chief Executive Officer and a Director of Alexander's, the Managing General Partner of Interstate Properties ("Interstate") and Chairman of the Board and Chief Executive Officer of Vornado Realty Trust ("Vornado"). Interstate owns 27.1% of the outstanding common stock of Alexander's and owns 17.9% of the outstanding common shares of beneficial interest of Vornado. Mr. Roth, Interstate and the other two general partners of Interstate, David Mandelbaum and Russell B. Wight, Jr. (who are also directors of Alexander's and trustees of Vornado) own, in the aggregate, 21.3% of the outstanding common shares of beneficial interest of Vornado. Vornado owns 29.3% of the outstanding common stock of Alexander's. During the year ended December 31, 1997 and 1996, for the six months ended December 31, 1995 and for the year in the period ended June 30, 1995, Vornado, through Interstate, was paid $398,000, $846,000, $389,000 and $165,000, respectively, by the Center for performing leasing services for space located in the Center.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value of cash, accounts receivable, notes receivable, accounts payable, accrued expenses and mortgage notes payable are reflected in the balance sheet. The fair value estimates are based on information available as of December 31, 1997. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, a comprehensive revaluation has not been performed for purposes of this financial statement disclosure and current estimates of fair value may differ significantly from those amounts reflected in the balance sheet.

8. ENVIRONMENTAL INVESTIGATION

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

Such contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Center intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Center has not recorded an asset as of December 31, 1997 for potential recoveries of environmental remediation costs from other parties.

9. TAX CERTIORARI PROCEEDINGS

In December 1995, the Center completed a tax certiorari proceeding with the City of New York. Each of the co-venturers has agreed with the City of New York to a reduction in the assessed values covering the tax years 1988/1989 through 1995/1996, generating tax credits of $28,350,000, of which $18,836,000 relates to the co-venturer's stores. As a result, real estate taxes previously accrued for each of the co-venturers were reversed. The estimated amounts due to tenants resulting from the tax certiorari proceedings was $5,518,351 and $7,000,180 at December 31, 1997 and 1996, respectively.

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Index to Exhibits

The following is a list of all exhibits filed as part of this Report:

* Incorporated by reference

Exhibit No.	Document	Page
10(i)(D)	Credit Agreement, dated March 15, 1995, among the Company and First Union Bank, National Association. Incorporated herein by reference from Exhibit 10(i)(D) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(E)	Building Loan Agreement, dated as of March 29, 1995, among the Company, Union Bank of Switzerland ("UBS") (New York Branch), as Lender, and UBS (New York Branch), as Agent. Incorporated by reference from Exhibit 10(i)(E) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(F)	Project Loan Agreement, dated as of March 29,1995, among the Company, UBS (New York Branch), as Lender, and UBS (New York Branch), as Agent. Incorporated herein by reference from Exhibit 10(i)(F) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(G)(1)	Real Estate Retention Agreement dated as of July 20, 1992, between Vornado Realty Trust and Keen Realty Consultants, Inc., each as special real estate consultants, and the Company. Incorporated herein by reference from Exhibit 10(i)(O) to the Registrant's Form 10-K for the fiscal year ended July 25, 1992.	*
10(i)(G)(2)	Extension Agreement to the Real Estate Retention Agreement, dated as of February 6, 1995, between the Company and Vornado Realty Trust. Incorporated herein by reference from Exhibit 10(i)(G)(2) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(H)	Management and Development Agreement, dated as of February 6, 1995, between Vornado Realty Trust and the Company, on behalf of itself and each subsidiary listed therein. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Current Report on Form 8-K dated February 6, 1995.	*
10(i)(I)	Commitment letter, dated as of February 6, 1995, between Vornado Realty Trust and the Company. Incorporated herein by reference from Exhibit 10.3 to the Registrant's Current Report on Form 8-K dated February 6, 1995.	*
10(ii)(A)(1)	Agreement of Lease, dated April 22, 1966, between S&E Realty Company and Alexander's Department Stores of Valley Stream, Inc. Incorporated herein by reference from Exhibit 13N to the Registrant's Registration Statement on Form S-1 (Registration No. 2-29780).	*

* Incorporated by reference

Exhibit No.	Document	Page
10(ii)(A)(2)	Guarantee, dated April 22, 1966, of the Lease described as Exhibit 10(ii)(A)(1) above by Alexander's Department Stores, Inc. Incorporated herein by reference from Exhibit 13N(1) to the Registrant's Registration Statement on Form S-1 (Registration No. 2-29780).	*
10(ii)(A)(3)	Agreement of Lease for Rego Park, Queens, New York, between Alexander's, Inc. and Sears Roebuck & Co. Incorporated herein by reference from Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1994.	*
10(ii)(A)(4)(a)	Lease for Roosevelt Avenue, Flushing, New York, dated as of December 1, 1992, between the Company, as landlord, and Caldor, as tenant. Incorporated herein by reference from Exhibit 10(ii)(E)(7) to the Registrant's Form 10-K for the fiscal year ended July 25, 1992.	*
10(ii)(A)(4)(b)	First Amendment to Sublease for Roosevelt Avenue, Flushing, New York, dated as of February 22, 1995 between the Company, as sublandlord, and Caldor, as tenant. Incorporated herein by reference from Exhibit 10(ii)(A)(8)(b) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(ii)(A)(5)	Lease Agreement, dated March 1, 1993 by and between the Company and Alex Third Avenue Acquisition Associates. Incorporated by reference from Exhibit 10(ii)(F) to the Registrant's Form 10-K for the fiscal year ended July 31, 1993.	*
10(ii)(A)(6)	Agreement of Lease for Rego Park, Queens, New York, between the Company and Marshalls of Richfield, MN., Inc., dated as of March 1, 1995. Incorporated herein by reference from Exhibit 10(ii)(A)(12)(a) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(ii)(A)(7)	Guaranty, dated March 1, 1995, of the Lease described in Exhibit 10(ii)(A)(12)(a) above by the Company. Incorporated herein by reference from Exhibit 10(ii)(A)(12)(b) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*

* Incorporated by reference

Exhibit No.	Document	Page
10(iii)(A) **	Employment Agreement, dated March 29, 1995, between Brian M. Kurtz and the Company. Incorporated herein by reference from Exhibit 10(iii)(A) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(iii)(A)(1) **	Amendment to Employment Agreement, dated December 11, 1996, between Brian M. Kurtz and the Company. Incorporated herein by reference from Exhibit 10(iii)(A)(1) to the Registrant's Form 10-K for the fiscal year ended December 31, 1996.	*
10(iii)(B) **	Employment Agreement, dated February 9, 1995, between the Company and Stephen Mann. Incorporated herein by reference from Exhibit 10(iii)(B) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(iv)(A)	Registrant's Omnibus Stock Plan, as amended, dated May 28, 1997, Incorporated herein by reference from Exhibit 10 to the Registrant's Form 10-Q for the fiscal quarter ended June 30, 1997.	*
11	Not applicable.	
12	Consolidated Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividend Requirements.	57
13	Not applicable.	
16	Not applicable.	
18	Not applicable.	
19	Not applicable.	
21	Subsidiaries of Registrant.	58
22	Not applicable.	
23	Consent by independent auditors to incorporation by reference.	59
25	Not applicable.	
27	Financial Data Schedule.	60
29	Not applicable.	

* Incorporated by reference

** Management contract or compensatory plan

EXHIBIT 12

ALEXANDER'S, INC.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

(amounts in thousands except ratios)

	Year Ended				
	December 31, 1997	December 31, 1996	December 31, 1995	December 31, 1994	December 31, 1993 (1)
Income/(loss) from continuing operations before reversal of deferred taxes	$ 7,466 (4)	$13,097 (5)	$ (9,102)	$ 4,033	$ 9,644
Fixed charges (3)	13,749	14,464	13,607	4,228	2,621
Income/(loss) from continuing operation before income taxes and fixed charges	$ 21,215	$27,561	$ 4,505	$ 8,261	$12,265
Fixed charges:					
Interest and debt expense	$13,639	$14,299	$ 13,442	$ 4,063	$ 2,456
1/3 of rent expense - interest factor	110	165	165	165	165
	13,749	14,464	13,607	4,228	2,621
Capitalized interest	9,079	8,552	6,575	1,718	753
	$22,828	$23,016	$ 20,182	$ 5,946	$ 3,374
Ratio of earnings to fixed charges	--	1.20	--	1.39	3.64
Deficiency in earnings available to cover fixed charges	$(1,613)(4)	--	$(15,677)	--	--

(amounts in thousands except ratios)	Five Months Ended December 31, 1993 (1)	Fiscal Year Ended July 31, 1993 (2)
Income/(loss) from continuing operations before reversal of deferred taxes	$ 946	$27,151 (6)
Fixed charges (3)	633	1,300
Income/(loss) from continuing operation before income taxes and fixed charges	$ 1,579	$28,451
Fixed charges:		
Interest and debt expense	$ 468	$ 1,135
1/3 of rent expense - interest factor	165	165
	633	1,300
Capitalized interest	753	--
	$ 1,386	$ 1,300
Ratio of earnings to fixed charges	1.14	21.89
Deficiency in earnings available to cover fixed charges	--	--

Notes:

(1) In November 1993, the Company changed to a calendar year from a fiscal year ending on the last Saturday in July. The amounts for the year ended December 31, 1993 are included for comparative purposes only.

(2) Includes 53 weeks.

(3) For purposes of this calculation, earnings before fixed charges consist of earnings plus fixed charges. Fixed charges consist of interest expense on all indebtedness (including amortization of debt issuance costs) from continuing operations and the portion of operating lease rental expense that is representative of the interest factor (deemed to be one-third of operating lease rentals). Fixed charges does not include any interest paid to unsecured creditors or charged against the reserve from discontinued operations. Fixed charges also does not include any interest expensed or capitalized during the period the Company was in the retail business (prior to 5/15/92) except for its share of the Kings Plaza Mall interest expense.

(4) Includes a gain of $8,914,000 from the condemnation of a portion of the Paramus property net of the write-off of the carrying value of the building of $5,786,000, without which the Company would have a deficiency in earnings to cover fixed charges of $10,527,000.

(5) Includes gain of $14,372,000 from the reversal of the Company's postretirement healthcare liability without which the Company would have a deficiency in earnings to cover fixed charges of $9,827,000.

(6) Includes a gain on sales of leases of $28,779,000 without which the Company would have a deficiency in earnings to cover fixed charges of $1,628,000.

EXHIBIT 21

ALEXANDER'S, INC.

SUBSIDIARIES OF REGISTRANT

Alexander's of Brooklyn, Inc.
Alexander's of Fordham Road, Inc.
Alexander's Rego Park Center, Inc.
Alexander's of Rego Park, Inc.
Alexander's of Rego Park II, Inc.
Alexander's of Rego Park III, Inc.
Alexander's of Third Avenue, Inc.
Alexander's of Flushing, Inc.
Alexander's Department Stores of New Jersey, Inc.
Alexander's Department Stores of Lexington Avenue, Inc.
Alexander's Department Stores of Brooklyn, Inc.
U & F Realty Corp.
ADMO Realty Corp.
Ownreal Inc.
Sakraf Wine & Liquor Store, Inc.

EXHIBIT 23

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation in Amendment No. 3 to Registration Statement No. 33-62779 on Form S-3 of our report dated March 17, 1998 appearing in this Annual Report on Form 10-K of Alexander's, Inc. for the year ended December 31, 1997 and our report dated February 6, 1998 appearing in this Annual Report on Form 10-K of Kings Plaza Shopping Center and Marina for the year ended December 31, 1997.

Parsippany, New Jersey
March 17, 1998

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1997 AND
IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

YEAR
DEC-31-1997
DEC-31-1997
2,691
0
1,211
(147)
0
0
216,346
(35,224)
235,074
0
208,087
0
0
5,174
7,855
235,074
0
25,369
0
14,106
0
0
13,430
7,466
0
7,466
0
0
0
7,466
1.49
0