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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: MARCH 31, 1999

or

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

For the transition period from to

Commission File Number: 1-6064

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. [X] Yes [ ] No

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

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

[ ] Yes [ ] No

As of May 1, 1999 there were 5,000,850 common shares outstanding.

ALEXANDER'S, INC.

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PART I. FINANCIAL INFORMATION

ALEXANDER'S INC.
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(amounts in thousands except share amounts)

	MARCH 31, 1999	DECEMBER 31, 1998
ASSETS:		
Real estate, at cost:		
Land	$ 83,957	$ 83,957
Buildings leaseholds and improvements	149,145	149,054
Capitalized expenses and predevelopment costs	61,680	57,675
Total	294,782	290,686
Less accumulated depreciation and amortization	(52,429)	(51,529)
Real estate, net	242,353	239,157
Cash and cash equivalents	15,076	15,363
Restricted cash	8,855	9,402
Accounts receivable, net of allowance for doubtful accounts of $684 in 1999 and $841 in 1998	4,065	3,303
Receivable arising from the straight-lining of rents, net	11,060	13,036
Deferred lease and other property costs	26,018	27,921
Deferred debt expense	2,574	2,693
Other assets	6,870	6,168
TOTAL ASSETS	$ 316,871	$ 317,043

	MARCH 31, 1999	DECEMBER 31, 1998
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Debt (including $45,000 due to Vornado)	$ 276,962	$ 277,113
Amounts due to Vornado Realty Trust and its affiliate	4,153	5,840
Accounts payable and accrued liabilities	10,354	10,113
Other liabilities	16,953	17,003
TOTAL LIABILITIES	308,422	310,069
Commitments and contingencies		
Stockholders' Equity:		
	5,174	5,174
Common stock; $1.00 par value per share; authorized 10,000,0000 shares; issued 5,173,450		
Additional capital	24,843	24,843
Deficit	(20,608)	(22,083)
	9,409	7,934
Less treasury shares, 172,600 shares at cost	(960)	(960)
Total shareholders' equity	8,449	6,974
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 316,871	$ 317,043

=========   =========

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands except per share amounts)

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1999	MARCH 31, 1998
Revenues:		
Property rentals	$ 11,388	$ 5,631
Expense reimbursements	5,235	998
Equity in income of unconsolidated joint venture	--	1,378
Total revenues	16,623	8,007
Expenses:		
Operating (including management fee to Vornado of $327 and $210 in 1999 and 1998)	8,996	2,020
General and administrative (including management fee to Vornado of $540 in 1998 and 1999)	979	866
Depreciation and amortization	1,338	798
Total expenses	11,313	3,684
Operating income	5,310	4,323
Interest and debt expense (including interest on loan from Vornado)	(3,761)	(3,665)
Other, net	(74)	264
Net income	$ 1,475	$ 922
Net income per share (basic and diluted)	$ .29	$ .18

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1999	MARCH 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,475	$ 922
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including debt issuance costs)	1,749	1,169
Straight-lining of rental income	(1,024)	(898)
Write-off of the asset arising from the straight-lining of rents	3,000	--
Change in assets and liabilities:		
Accounts receivable	(762)	589
Amounts due to Vornado Realty Trust and its affiliate	(427)	(527)
Accounts payable and accrued liabilities	241	92
Other liabilities from discontinued operations	(50)	(58)
Note receivable	--	14,700
Investment in excess of equity in income of unconsolidated joint venture	--	(98)
Other	(340)	(1,994)
Net cash provided by operating activities	3,862	13,897
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to real estate	(4,096)	(3,603)
Cash restricted for construction and development	469	(6,326)
Cash restricted for operating liabilities	(79)	(11)
Net cash used in investing activities	(3,706)	(9,940)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Debt repayments	(151)	(3,729)
Deferred debt expense	(292)	(219)
Net cash used in financing activities	(443)	(3,948)
Net (decrease) increase in cash and cash equivalents	(287)	9
Cash and cash equivalents at beginning of period	15,363	2,691
Cash and cash equivalents at end of period	$ 15,076	$ 2,700
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (including capitalized interest of $2,245 and $1,765)	$ 5,595	$ 5,060

See notes to consolidated financial statements.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheet as of March 31, 1999, the consolidated statements of operations for the three months ended March 31, 1999, and the consolidated statements of cash flows for the three months ended March 31, 1999 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1998 Annual Report to Shareholders. The results of operations for the three months ended March 31, 1999 are not necessarily indicative of the operating results for the full year.

2. ACQUISITION OF KINGS PLAZA MALL

On June 18, 1998, the Company increased its interest in the Kings Plaza Mall (the "Mall") to 100% by acquiring Federated Department Store's ("Federated") 50% interest. The purchase price was approximately $28,000,000, which was paid in cash, plus the Company has agreed to pay Federated $15,000,000 to renovate its Macy's store in the Mall and Federated agreed to certain modifications to the Kings Plaza Operating Agreement.

Set forth below is the pro forma condensed consolidated statement of operations data for the Company for the three months ended March 31, 1998 as if the acquisition of the Kings Plaza Mall and the related financing transactions had occurred on January 1, 1998.

Revenues	$14,734,000
Net income	$ 1,788,000
Net income per share - basic and diluted	$ .35

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Vornado owns 29.3% of the Company's Common Stock. The Company is managed by and its properties are redeveloped and leased by Vornado, pursuant to agreements with a one-year term expiring in March of each year which are automatically renewable. Under these agreements, the Company incurred fees of $1,679,000 and $1,563,000 in each of the three month periods ended March 31, 1999 and 1998. In addition, Vornado is due $3,448,000 at March 31, 1999 under the leasing agreement, subject to the payment of rents by tenants.

The Company is indebted to Vornado in the amount of $45,000,000, the subordinated tranche of a $65,000,000 secured financing. The Company incurred interest on its loan from Vornado of $1,561,000 and $1,718,000 in the three months ended March 31, 1999 and 1998, of which $1,164,000 and $907,000 was capitalized.

4. LEASES

In the first quarter of 1999, Caldor closed all of its stores. Caldor previously sub-leased its Flushing store from the Company. Caldor rejected the Flushing lease effective March 29, 1999. In connection therewith the Company wrote-off the $3,000,000 asset arising from the straight-lining of Caldor's rent.

5. COMMITMENTS AND CONTINGENCIES

In June 1997, the Kings Plaza Regional Shopping Center (the "Center"), commissioned an Environmental Study and Contamination Assessment Site Investigation (the Phase II "Study") to evaluate and delineate environmental conditions disclosed in a Phase I study. The results of the Study indicate the presence of petroleum and 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, 1998 for potential recoveries of environmental remediation costs from other parties.

ALEXANDER'S, INC.
AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. EARNINGS PER SHARE

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

	FOR THE THREE MONTHS ENDED	
	MARCH 31, 1999	MARCH 31, 1998
Numerator:		
Net income	$1,475,000	$ 922,000
Denominator:		
Denominator for basic earnings per share -- weighted average shares	5,000,850	5,000,850
Effect of dilutive securities: Employee stock options	1,183	67,335
Denominator for diluted earnings per share -- adjusted weighted average shares and assumed conversions	5,002,033	5,068,185
Basic and diluted earnings per share	$ .29	$ .18

ALEXANDER'S, INC.
AND SUBSIDIARIES

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

RESULTS OF OPERATIONS

The Company had net income of $1,475,000 in the quarter ended March 31, 1999, compared to $922,000 in the quarter ended March 31, 1998, an increase of $553,000. Operating income, before depreciation and amortization and the effect of the straight-lining of property rentals for rent escalations, was $5,624,000 in 1999, compared to $4,384,000 in 1998, an increase of $1,240,000.

Property rentals were $11,388,000 in quarter ended March 31, 1999, compared to $5,631,000 in the quarter ended March 31, 1998, an increase of $5,757,000. This increase resulted from:

	Effective Date	Amount
Rent from new tenants		$ 615,000
Acquisition of the remaining 50% interest in the Kings Plaza Mall	June 1998	2,646,000
Consolidation of 50% interest in the Kings Plaza Mall previously recorded on the equity method	June 1998	2,646,000
Other		(150,000)
		$5,757,000

Tenant expense reimbursements were $5,235,000 in the quarter ended March 31, 1999, compared to $998,000 in the quarter ended March 31, 1998, an increase of $4,237,000. This increase resulted primarily from the acquisition of the remaining 50% interest in the Kings Plaza Mall and the resulting consolidation of the Mall's operations after June 18, 1998.

The decrease in equity in income of unconsolidated joint venture resulted from the consolidation of the Mall's operations as noted above.

Operating expenses were $8,996,000 in the quarter ended March 31, 1999, compared to $2,020,000 in the quarter ended March 31, 1998, an increase of $6,976,000. Of this increase: (i) $4,064,000 is attributable to the acquisition of the remaining 50% interest in the Kings Plaza Mall and the resulting consolidation of the Mall's operations after June 18, 1998 and (ii) $3,000,000 resulted from the write-off of the asset arising from the straight-lining of rents due to Caldor's rejection of its Flushing lease.

General and administrative expenses were $979,000 in the quarter ended March 31, 1999, compared to $866,000 in the quarter ended March 31, 1998.

Depreciation and amortization expense increased primarily as a result of the Kings Plaza Mall acquisition in June 1998.

Interest and debt expense was $3,761,000 in the quarter ended March 31, 1999, compared to $3,665,000 in the quarter ended 1998, an increase of $96,000. The increase results from higher average debt in 1999, partially offset by a greater amount of interest capitalized on redevelopment projects.

ALEXANDER'S, INC.
AND SUBSIDIARIES

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

LIQUIDITY AND CAPITAL RESOURCES

In the aggregate, Alexander's current operating properties (five of the eight 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.

In connection with the acquisition of the remaining 50% interest in the Kings Plaza Mall, the Company completed a $90,000,000 three-year mortgage loan with Union Bank of Switzerland. The Company expects to increase this loan by $30,000,000 of which approximately $15,000,000 will be used to partially fund a renovation of the Mall (estimated to cost $30,000,000 in total) and $15,000,000 will be used to pay its liability to Federated.

The Company estimates that capital expenditure requirements for the redevelopment of its Paramus property, will approximate $100,000,000. The Company is evaluating development plans for the Lexington Avenue site, which may include 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.

In the first quarter of 1999, Caldor closed all of its stores. Caldor previously sub-leased its Flushing Store from the Company. Caldor rejected the Flushing lease effective March 29, 1999. The annual base rental under the lease was $2,963,000.

On May 12, 1999, the Company, through a newly formed subsidiary, completed an $82,000,000 refinancing of its subsidiary's Rego Park I property and repaid the then existing $75,000,000 debt on the property from the proceeds of the new loan. The new 10-year debt, which is an obligation of the subsidiary, matures in May 2009 and bears interest at 7.25%.

ALEXANDER'S, INC.
AND SUBSIDIARIES

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

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

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

CASH FLOWS

Three Months Ended March 31, 1999

Cash provided by operating activities of $3,862,000 was comprised of (i) net income of $1,475,000, (ii) non-cash items of $3,725,000, offset by (iii) the net change in operating assets and liabilities of $1,338,000. The adjustments for non-cash items are comprised of (i) the write-off of the asset arising from the straight-lining of rents of $3,000,000 and (ii) depreciation and amortization of $1,749,000, offset by (iii) the effect of straight-lining of rental income of $1,024,000.

Net cash used in investing activities of $3,706,000 was primarily comprised of capital expenditures.

Net cash used in financing activities of $443,000 was comprised primarily of (i) debt issuance costs of $292,000 and (ii) repayments of debt of $151,000.

Three Months Ended March 31, 1998

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

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

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

Funds from Operations for the Three Months Ended March 31, 1999 and 1998

Funds from operations was $4,679,000 in the three months ended March 31, 1999, an increase of $4,116,000 over the prior year. The following table reconciles funds from operations and net income:

ALEXANDER'S, INC.
AND SUBSIDIARIES

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

	Three Months Ended March 31, 1999	1998
Net income	$ 1,475,000	$ 922,000
Depreciation and amortization of real property	1,338,000	798,000
Straight-lining of property rentals for rent escalations	(1,024,000)	(898,000)
Leasing fees paid in excess of expense recognized	(110,000)	(490,000)
Proportionate share of adjustments to equity in income of previously unconsolidated joint venture to arrive at funds from operations	--	231,000
Write-off of asset arising from the straight-lining of rents	3,000,000	--
	$ 4,679,000	$ 563,000

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

	Three months Ended March 31, 1999	1998
Operating activities	$ 3,862,000	$ 13,897,000
Investing activities	$ (3,706,000)	$ (9,940,000)
Financing activities	$ (443,000)	$ (3,948,000)

ALEXANDER'S, INC.
AND SUBSIDIARIES

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

Year 2000 Issues

The Company is managed by Vornado Realty Trust. Vornado has advised the Company that Vornado initiated its Year 2000 compliance programs and information systems modifications in early 1998 to ensure that its systems and key processes will remain functional. Vornado expects this objective to be achieved either by modifying present systems using existing internal and external programming resources or by installing new systems, and by monitoring supplier and other third-party interfaces. In certain cases, Vornado will be relying on statements from outside vendors as to the Year 2000 readiness of its systems.

The Company is not aware of any operational systems within its control that are not Year 2000 compliant. In the event that a third-party service is interrupted due to a Year 2000 issue, the Company will seek to obtain such service from another third-party provider.

Recently Issued Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities". This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It is effective for all fiscal quarters of fiscal years beginning after June 15, 1999. Because the Company does not currently utilize derivatives or engage in hedging activities, management does not anticipate that implementation of this statement will have a material effect on the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has no material exposure to market risk sensitive instruments.

PART II. OTHER INFORMATION

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

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

27 Financial Data Schedule

(b) Reports on Form 8-K

None

ALEXANDER'S, INC.

SIGNATURES

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

ALEXANDER'S, INC.

(Registrant)

Date: May 12, 1999

/s/ Joseph Macnow

Joseph Macnow, Vice President,
Chief Financial Officer

ALEXANDER'S, INC.

EXHIBIT INDEX

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000

3-MOS
DEC-31-1999
MAR-31-1999
15,076
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4,065
(684)
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294,782
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