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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, 1999

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 25, 2000) was approximately $154,554,000.

5,000,850 shares of the Registrant's common stock, par value $1 per share, were outstanding as of February 25, 2000.

Documents Incorporated by Reference

Part III: Proxy Statement for Annual Meeting of Shareholders to be held May 31, 2000

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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, 1999, 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. Alexander's activities are conducted through its manager, Vornado Realty Trust ("Vornado").

Alexander's has eight 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 Regional Shopping Center on Flatbush Avenue in Brooklyn, New York, which contains 1,100,000 square feet is comprised of a two-level mall containing 477,000 square feet, a 289,000 square foot department store leased to Sears and another anchor department store owned and operated as a Macy's by Federated Department Stores, Inc. ("Federated");

(iii) 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;

(iv) the Flushing property located at Roosevelt Avenue and Main Street in Flushing, New York, which contains a 177,000 square foot building currently unoccupied; and

(v) 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 developed:

(vi) 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;

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

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

The Company is currently undertaking the excavation and laying the foundation for its Lexington Avenue property as part of the proposed development of a large multi-use building. The proposed building is expected to be comprised of a commercial portion, which may include a combination of retail stores, offices, hotel space, extended stay residences, residential rentals and parking; and a residential portion, consisting of condominium units to be sold to the public. In connection therewith, the Company paid $14,500,000 for 140,000 square feet of air rights of which $12,200,000 was paid to Vornado (Vornado's cost plus $243,000 in interest and closing costs). The air rights were contracted for and paid for in 1999, with closings to take place when the developments which give rise to the air rights are completed in 2000. The capital required for the proposed building will be in excess of $400,000,000.

Because a REIT is not permitted to sell condominiums, the air rights representing the residential portion of the property are being transferred to a preferred stock affiliate, a corporation in which the Company owns all of the preferred equity and none of the common equity. The transfer value will be adjusted once the final size of the residential portion is determined.

Sears accounted for 22%, 28% and 31% of the Company's consolidated revenues for the years ended December 31, 1999, 1998 and 1997, respectively. Caldor, a former tenant, accounted for 22% of the Company's consolidated revenues in 1997. No other tenant accounted for more than 10% of revenues.

In June 1998, the Company increased its interest in the Kings Plaza Mall (the "Mall") to 100% by acquiring Federated's 50% interest. The purchase price was approximately $28,000,000, which was paid in cash, plus the Company agreed to pay Federated $15,000,000 to renovate its Macy's store in the Mall ($12,103,000 has been paid as of January 31, 2000) and Federated agreed to certain modifications to the Kings Plaza Operating Agreement. In connection with the acquisition, the Company completed a $90,000,000 three-year mortgage loan. The loan is collateralized by the Company's interest in the Kings Plaza Regional Shopping Center and bears interest at LIBOR plus 1.25% (7.75% at December 31, 1999). In addition to funding the acquisition, the proceeds from the borrowing were also used to repay $34,900,000 of debt. Further, on August 9, 1999 the Company increased the availability under this mortgage loan by $30,000,000 ($9,935,000 is outstanding as of January 31, 2000) of which $15,000,000 will be used to partially fund a renovation of the Mall estimated to cost $33,000,000 ($9,045,000 has been paid as of January 31, 2000) and $15,000,000 will be used to pay the liability to Federated noted above. The renovations are expected to be completed in 2000.

In the aggregate, Alexander's operating properties do not generate sufficient cash flow to pay all of its expenses. The Company's three non-operating properties (Lexington Avenue, Paramus, and Rego Park II) are in various stages of development. As rents commence from portions of the development properties and from the vacant property(s), 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 32% 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 equal to the sum of (i) $3,000,000, (ii) 3% of the gross income from the Mall, plus (iii) 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 $1,756,000 at December 31, 1999. 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.

As of December 31, 1999, the Company has a loan payable to Vornado aggregating $95,000,000, including $50,000,000 it borrowed from Vornado on October 20, 1999. The Company used the proceeds from the additional $50,000,000 loan to fund a portion of the development costs at its Lexington Avenue property and a portion of the costs to refurbish its Kings Plaza Regional Shopping Center. The loan, which was scheduled to mature on March 15, 2000, has been extended to March 15, 2001 and the interest rate has been reset from 14.18% per annum to 15.72% per annum reflecting an increase in the underlying treasury rate. The loan is secured by liens 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 liens do not cover the Kings Plaza Regional Shopping Center and Rego Park I and are subordinate to first mortgages and a $20,000,000 bank term loan.

Vornado is a fully integrated REIT with significant experience in the ownership, development, 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. At December 31, 1999, Interstate and its Partners own 27.3% of the outstanding common stock of the Company and owns 15.0% of the outstanding common shares of beneficial interest of Vornado. In addition, Mr. Roth owns 1.8% 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, 17.8% of the outstanding common shares of beneficial interest of Vornado.

ENVIRONMENTAL MATTERS

In June 1997, the Kings Plaza Regional Shopping Center (the "Center"), commissioned an Environmental Study and Contamination Assessment Site Investigation (the Phase II "Study") to evaluate and delineate environmental conditions disclosed in a Phase I study. The results of the Study indicate the presence of petroleum and bis (2-ethylhexyl) phthalate contamination in the soil and groundwater. The Company has delineated the contamination and has developed a remediation approach. The New York State Department of Environmental Conservation ("NYDEC") has not yet approved the remediation approach. In 1997, the Center 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. Based upon revised estimates the Company accrued an additional $500,000 in the second quarter of 1999 ($727,000 has been paid as of January 31, 2000). If the NYDEC insists on a more extensive remediation approach, the Company could incur additional obligations.

The majority of the contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Company intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Company has not recorded an asset as of December 31, 1999 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 financial position, results of operations and cash flows.

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 has one corporate employee and 70 property level employees.

Item 2. Properties

The following table shows the location, approximate size and leasing status as of December 31, 1999 of each of the Company's properties.

Property	Ownership	Approximate Area in Square Feet ("SF") or Acreage	Approximate Leaseable Square Feet/ 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)	$28.76	100%
Kings Plaza Regional Shopping Center Flatbush Avenue Brooklyn, New York	Owned	24.3 acres	766,000/4 (1)(2)	29.40	91%
Fordham Road & Grand Concourse Bronx, New York	Owned	92,211 SF	303,000/5	--	--
Roosevelt Avenue & Main Street Flushing, New York	Leased (3)	44,975 SF	177,000/4	--	--
Third Avenue & 152nd Street Bronx, New York	Owned	60,451 SF	173,000/4	5.00	100%
			1,770,000		
DEVELOPMENT PROPERTIES					
Square block at East 59th Street & Lexington Avenue New York, New York	Owned	84,420 SF	-- (4)		
Routes 4 & 17 Paramus, New Jersey	Owned	30.3 acres	-- (5)		
Rego Park II Queens, New York	Owned	6.6 acres	--		

Property	Significant Tenants (30,000 square feet or more)	Square Footage Leased	Lease Expiration/ Option Expiration
OPERATING PROPERTIES			
Rego Park I Queens Blvd. & 63rd Rd. Rego Park, New York	Sears	195,000	2021
	Circuit City	50,000	2021
	Bed Bath & Beyond	46,000	2013
	Marshalls	39,000	2008/2021
Kings Plaza Regional Shopping Center Flatbush Avenue Brooklyn, New York	Sears	289,000	2023/2033
	107 Mall tenants		
Fordham Road & Grand Concourse Bronx, New York	--	--	
Roosevelt Avenue & Main Street Flushing, New York	--	--	
Third Avenue & 152nd Street Bronx, New York	An affiliate of Conway	173,000	2023

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

(2) Excludes the 339,000 square foot Macy's store, owned and operated by Federated.

(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 Company razed the existing buildings and is currently undertaking the excavation and laying the foundation of the site. It is evaluating development plans for this site which may include a large multi-use building.

(5) Governmental approvals have been obtained to develop a shopping center at this site containing approximately 550,000 square feet (see Item 2 "Paramus Property").

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 Regional Shopping Center

The Kings Plaza Regional Shopping Center (the "Center") contains approximately 1.1 million square feet and is comprised of a two-level mall (the "Mall") containing 477,000 square feet and two four-level anchor stores. One of the anchor stores is owned by the Company and leased to Sears, while the other anchor store is owned and operated as a Macy's store by Federated. In June 1998, the Company increased its interest in the Mall to 100% by acquiring Federated's 50% interest. The purchase price was approximately $28,000,000, which was paid in cash, plus the Company 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. The Center occupies a 24.3-acre site at the intersection of Flatbush Avenue and Avenue U located in Brooklyn, New York. Among the Center's features are a marina, a five-level parking structure and an energy plant that generates all of the Center's electrical power. The Company is currently renovating the Mall in connection with the overall renovation of the Center at an estimated cost of $33,000,000 of which $9,045,000 has been expended as of January 31, 2000. The renovation is expected to be completed in 2000.

The following table shows lease expirations for the Mall tenants in the Center 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 Lease Square Footage Represented by Expiring Leases	Percent of 1999 Gross Annual Base Rental Represented by Expiring Leases
2000	2	3,901	$ 202,656	$ 51.95	0.95%	1.15%
2001	15	69,142	2,572,737	37.21	16.92%	14.55%
2002	14	26,778	1,577,979	58.93	6.55%	8.92%
2003	8	16,611	860,071	51.78	4.06%	4.86%
2004	4	23,006	908,255	39.48	5.63%	5.14%
2005	4	16,232	500,192	30.82	3.97%	2.83%
2006	15	61,808	1,918,773	31.04	15.12%	10.85%
2007	12	59,301	3,114,608	52.52	14.51%	17.61%
2008	5	5,959	343,613	57.66	1.46%	1.94%
2009	16	78,438	3,753,020	47.85	19.19%	21.22%

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

	Occupancy Rate	Average Annual Base Rent Per Square Foot
December 31, 1999	86%	$ 43.12
December 31, 1998	90%	40.63
December 31, 1997	86%	38.17
December 31, 1996	84%	37.29
December 31, 1995	88%	31.43

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. 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, which is currently unoccupied, was previously sub-leased to Caldor (other than the portion currently being used as a parking garage). In January 1999, Caldor announced that it is closing all of its stores. Caldor rejected the lease effective March 29, 1999. The Company is currently in discussions with several tenants to re-lease all or portions of this space.

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.

Development Properties:

Lexington Avenue

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

The Company is currently undertaking the excavation and laying the foundation for its Lexington Avenue property as part of the proposed development of a large multi-use building. The proposed building is expected to be comprised of a commercial portion, which may include a combination of retail stores, offices, hotel space, extended stay residences, residential rentals and parking; and a residential portion, consisting of condominium units to be sold to the public. In connection therewith, the Company paid $14,500,000 for 140,000 square feet of air rights of which $12,200,000 was paid to Vornado (Vornado's cost plus $243,000 in interest and closing costs). The air rights were contracted for and paid for in 1999, with closings to take place when the developments which give rise to the air rights are completed in 2000. The capital required for the proposed building will be in excess of $400,000,000.

Because a REIT is not permitted to sell condominiums, the air rights representing the residential portion of the property are being transferred to a preferred stock affiliate, a corporation in which the Company owns all of the preferred equity and none of the common equity. The transfer value will be adjusted once the final size of the residential portion is determined.

Paramus

The Company owns 30.3 acres of land located at the intersection of Routes 4 and 17 in Paramus, New Jersey. The Company's property is located directly across from the Garden State Plaza regional shopping mall, within two miles of three other regional shopping malls and within 10 miles of New York City.

The Company intends to develop a shopping center of approximately 550,000 square feet on this site. The estimated cost of such development is approximately $100,000,000. The Company has received municipal approvals on tentative plans to redevelop the site. No development plans have been finalized.

Rego Park II

The Company owns two 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. Both parcels are currently zoned for residential use. Both parcels are being used for public paid parking. The Company intends to continue to use these properties for paid parking while it evaluates development options.

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, 1999.

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 Occupations, Position and Office (current and during the past five years with the Company unless otherwise stated)
Stephen Mann	62	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	58	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	54	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.
Irwin Goldberg	55	Secretary and Treasurer from June 1999 to present; Vice President - Chief Financial Officer of Vornado since January 1998; Partner at Deloitte & Touche LLP from September 1978 to January 1998

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 1999	$ 78 1/4	$ 66 15/16
2nd Quarter 1999	75 7/8	68
3rd Quarter 1999	84 1/16	70 1/2
4th Quarter 1999	79 1/2	70

	High	Low
1st Quarter 1998	$ 95 1/4	$ 86 1/16
2nd Quarter 1998	93 15/16	85 1/2
3rd Quarter 1998	93 1/8	73 3/16
4th Quarter 1998	81 3/16	72 1/8

As of December 31, 1999, there were approximately 1,800 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 1999 and 1998. 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, 1999, the Company had net operating loss carryovers ("NOL's") of approximately $158,000,000. 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,				
	1999	1998	1997	1996	1995
Operating data:					
Total revenues	$ 64,390	$ 51,663	$ 25,369	$ 21,833	$ 14,761
Income (loss) from continuing operations	$ 5,524(1)	$ (6,055)(2)	$ 7,466 (3)	$ 13,097 (4)	$ (7,696)
Income from discontinued operations	--	--	--	11,602	10,133
Net income (loss)	$ 5,524	$ (6,055)	$ 7,466	$ 24,699	$ 2,437
Income (loss) per common share: (5)					
Continuing operations	$ 1.10	$ (1.21)	$ 1.49	$ 2.62	$ (1.54)
Discontinued operations	--	--	--	2.32	2.03
Net income (loss) per share	$ 1.10	$ (1.21)	$ 1.49	$ 4.94	$ .49
Balance sheet data:					
Total assets	$ 366,496	$ 317,043	$ 235,074	$ 211,585	$ 198,541
Real estate	271,805	239,157	191,733	181,005	150,435
Debt	329,161	277,113	208,087	192,347	182,883
Stockholders' equity (deficiency)	12,498	6,974	13,029	5,563	(19,136)

1. Net of $4,877,000 resulting from the write-off of the asset arising from the straight-lining of rents primarily due to Caldor's rejection of its Flushing lease in 1999.

2. Includes the write-off of $15,096,000 resulting from the razing of the building formerly located at the Company's Lexington Avenue site.

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 carrying 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. Income (loss) per share is the same for all years' presented with and without dilution. For further discussion of income (loss) per share see notes to the consolidated financial statements.

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

OVERVIEW

The Company had net income of $5,524,000 for the year ended December 31, 1999 as compared to net loss of $6,055,000 in the prior year. Net income for 1999 is net of $4,877,000 resulting from the write-off of the asset arising from the straight-lining of rents primarily due to Caldor's rejection of its Flushing lease in 1999. The net loss for 1998 includes the write-off of $15,096,000 resulting from the razing of the building formerly located at the Company's Lexington Avenue site.

Details of the changes in the components of net income are discussed in the comparison of the years ended December 31, 1999 and December 31, 1998 below.

RESULTS OF OPERATIONS

Years Ended December 31, 1999 and December 31, 1998

The Company's revenues, which consist of property rentals, tenant expense reimbursements and equity in income of unconsolidated joint venture (prior to 1999) were $64,390,000 in 1999, compared to $51,663,000 in 1998, an increase of $12,727,000.

Property rentals were $44,232,000 in 1999, compared to $35,151,000 in 1998, an increase of $9,081,000. This increase resulted from:

	Effective Date	
Acquisition of the remaining 50% interest in the Kings Plaza Mall	June 1998	$ 11,130,000
Rent from new tenants	Various	1,116,000
Caldor's rejection of its Flushing lease	April 1999	(2,532,000)
Closure of parking operations at the Lexington Avenue property		(633,000)
		$ 9,081,000

Tenant expense reimbursements were $20,158,000 in 1999, compared to $13,993,000 in 1998, an increase of $6,165,000. This increase resulted primarily from the acquisition of the remaining 50% interest in the Kings Plaza Mall and the resulting consolidation of its operations after June 18, 1998.

The decrease in equity in income of unconsolidated joint venture resulted from the consolidation of the Mall's operations in 1998 as noted above.

Operating expenses were $33,081,000 in 1999, compared to $20,132,000 in 1998, an increase of $12,949,000. Of this increase (i) $9,254,000 primarily resulted 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 and (ii) $4,877,000 resulted from the write-off of the asset arising from the straight-lining of rents primarily due to Caldor's rejection of its Flushing lease in 1999, partially offset by a decrease in real estate tax, repairs and maintenance and parking garage expenses.

General and administrative expenses were $3,692,000 in 1999, compared to $4,079,000 in 1998, a decrease of $387,000 primarily as a result of lower professional fees.

Depreciation and amortization expense was $5,441,000 in 1999 compared to $4,289,000 in 1998, an increase of $1,152,000 primarily as a result of the acquisition of the remaining 50% interest in the Kings Plaza Mall and the resulting consolidation of its operations after June 18, 1998.

In September 1998, the Company wrote-off $15,096,000 resulting from the razing of the building formerly located at the Company's Lexington Avenue site.

Interest and debt expense was $17,647,000 in 1999, compared to $15,115,000 in 1998, an increase of $2,532,000. This increase resulted primarily from (i) higher average debt, partially offset by (ii) a decrease in the average interest rate and (iii) an increase in capitalized interest relating to the Company's development properties.

Years Ended December 31, 1998 and December 31, 1997

The Company's revenues, which consist of property rentals, tenant expense reimbursements and equity in income of unconsolidated joint venture were $51,663,000 in 1998, compared to $25,369,000 in 1997, an increase of $26,294,000.

Property rentals were $35,151,000 in 1998, compared to $18,455,000 in 1997, an increase of $16,696,000. This increase resulted from:

	Effective Date	
Rent from new tenants:		
Kings Plaza Regional Shopping Center	October 1997	$ 4,440,000
Rego Park I	March and May 1997	1,391,000
Acquisition of the remaining 50% interest in the Mall	June 1998	4,564,000
Consolidation of Mall operations previously recorded on the equity method	June 1998	4,564,000
Caldor's rejection of its Fordham Road lease	June 1997	(1,609,000)
Parking lot revenue		2,749,000
Other		597,000
		$ 16,696,000

Tenant expense reimbursements were $13,993,000 in 1998, compared to $2,668,000 in 1997, an increase of $11,325,000. This increase reflects (i) corresponding increases in operating expenses passed through to tenants as a result of leases commencing subsequent to March 31, 1997 at the Rego Park I property, (ii) the commencement of operations of the Sears department store at the Kings Plaza Regional Shopping Center and (iii) the acquisition of the remaining 50% interest in the Mall and the resulting consolidation of its operations after June 18, 1998.

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

Operating expenses were $20,132,000 in 1998, compared to $7,459,000 in 1997, an increase of $12,673,000. This increase resulted primarily from (i) real estate taxes which previously had been capitalized, being charged to income due to the commencement of operations of the Sears department store at the Kings Plaza Regional Shopping Center and (ii) the acquisition of the remaining 50% interest in the Mall and the resulting consolidation of the Mall's operations after June 18, 1998, partially offset by (iii) a $667,000 charge to bad debt expense in the prior year in connection with Caldor's rejection of its Fordham Road lease.

General and administrative expenses were $4,079,000 in 1998, compared to $3,933,000 in 1997, an increase of $146,000.

Depreciation and amortization expense increased in 1998, compared to 1997 as a result of the Kings Plaza Mall acquisition in June 1998 and the commencement of operations at the Kings Plaza Regional Shopping Center in October 1997.

In September 1998, the Company wrote-off $15,096,000 resulting from the razing of the building formerly located at its Lexington Avenue site.

Interest and debt expense was $15,115,000 in 1998, compared to $13,430,000 in 1997, an increase of $1,685,000. Of this increase $1,215,000 resulted from less interest capitalized in 1998 and $470,000 resulted from higher average borrowings.

Interest and other income was $993,000 in 1998, compared to $719,000 in 1997, an increase of $274,000. This increase resulted primarily from an increase in interest income this year due to higher average investments.

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.

LIQUIDITY AND CAPITAL RESOURCES

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

In June, 1998, the Company increased its interest in the Kings Plaza Mall (the "Mall") to 100% by acquiring Federated's 50% interest. The purchase price was approximately $28,000,000, which was paid in cash, plus the Company agreed to pay Federated $15,000,000 to renovate its Macy's store in the Mall ($12,103,000 has been paid as of January 31, 2000) and Federated agreed to certain modifications to the Kings Plaza Operating Agreement. In connection with the acquisition, the Company completed a $90,000,000 three-year mortgage loan. The loan is collateralized by the Company's interest in the Kings Plaza Regional Shopping Center and bears interest at LIBOR plus 1.25% (7.75% at December 31, 1999). In addition to funding the acquisition, the proceeds from the borrowing were also used to repay $34,900,000 of debt. Further, on August 9, 1999 the Company increased the availability under this mortgage loan by $30,000,000 ($9,935,000 is outstanding as of January 31, 2000) of which $15,000,000 will be used to partially fund a renovation of the Mall estimated to cost $33,000,000 ($9,045,000 has been paid as of January 31, 2000) and $15,000,000 will be used to pay the liability to Federated noted above. The renovations are expected to be completed in 2000.

The Company estimates that capital expenditure requirements for the development of its Paramus property will approximate $100,000,000.

The Company is currently undertaking the excavation and laying the foundation for its Lexington Avenue property as part of the proposed development of a large multi-use building. The proposed building is expected to be comprised of a commercial portion, which may include a combination of retail stores, offices, hotel space, extended stay residences, residential rentals and parking; and a residential portion, consisting of condominium units to be sold to the public. In connection therewith, the Company paid $14,500,000 for 140,000 square feet of air rights of which $12,200,000 was paid to Vornado (Vornado's cost plus $243,000 in interest and closing costs). The air rights were contracted for and paid for in 1999, with closings to take place when the developments which give rise to the air rights are completed in 2000. The capital required for the proposed building will be in excess of $400,000,000.

Because a REIT is not permitted to sell condominiums, the air rights representing the residential portion of the property are being transferred to a preferred stock affiliate, a corporation in which the Company owns all of the preferred equity and none of the common equity. The transfer value will be adjusted once the final size of the residential portion is determined.

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 rent under the lease was $2,963,000.

On May 12, 1999, the Company, through a newly formed wholly-owned 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%.

The Company's $21,485,000 loan collateralized by a mortgage on its Fordham Road property, which was scheduled to mature on February 24, 2000, has been extended 60 days in connection with negotiations to extend the loan for an additional three-years. The existing loan bears interest at LIBOR plus 4.25% (10.73% at December 31, 1999). Beginning in 1998, all cash flow of the property after debt service further amortizes the loan. There has been no further amortization through December 31, 1999. Under the terms of the proposed extension, interest accrues at LIBOR plus 1.50% in the first two years and LIBOR plus 1.75% in year three. Interest will be payable at LIBOR for the entire term. Interest accrued but not paid will be added to the outstanding principal balance. The net carrying value of the Fordham Road property is $4,602,000 at December 31, 1999.

As of December 31, 1999, the Company has a loan payable to Vornado aggregating $95,000,000, including $50,000,000 it borrowed from Vornado on October 20, 1999. The Company used the proceeds from the additional $50,000,000 loan to fund a portion of the development costs at its Lexington Avenue property and a portion of the costs to refurbish its Kings Plaza Regional Shopping Center. The loan, which was scheduled to mature on March 15, 2000, has been extended to March 15, 2001 and the interest rate has been reset from 14.18% per annum to 15.72% per annum reflecting an increase in the underlying treasury rate. The loan is secured by liens 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 liens do not cover the Kings Plaza Regional Shopping Center and Rego Park I and are subordinate to first mortgages and a $20,000,000 bank term loan.

A summary of maturities of debt at December 31, 1999 is as follows:

Year ending December 31,	
2000	21,485,000
2001	210,676,000
2002	--
2003	15,000,000
2004	339,000
	$ 247,500,000

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

Year Ended December 31, 1999

Cash provided by operating activities of $9,765,000 was comprised of income after adjustments for non-cash items of $8,921,000, net of the change in operating assets and liabilities of $4,680,000. The adjustments for non-cash items are comprised of depreciation and amortization of $7,460,000 and the effect of straight-lining of rental income of $1,461,000.

Net cash used in investing activities of $47,601,000 was primarily comprised of (i) the escrowing of cash from the proceeds from the Kings Plaza Regional Shopping Center which is restricted as to its use ($13,601,000), net of the release of cash from escrow for the condemnation of a portion of the Paramus property ($2,318,000) and (ii) capital expenditures of $36,318,000.

Net cash provided by financing activities of $48,526,000 was comprised of (i) proceeds from the issuance of debt of $137,676,000, offset by (ii) repayments of debt of $85,628,000 and (iii) debt issuance costs of $3,522,000.

Year Ended December 31, 1998

Cash provided by operating activities of $5,461,000 was comprised of income after adjustments for non-cash items of $10,327,000, net of the change in operating assets and liabilities of $4,866,000. The adjustments for non-cash items are comprised of (i) the write-off of the carrying value of the Lexington Avenue building and related development costs of $15,096,000 and (ii) depreciation and amortization of $5,715,000, offset by (iii) the effect of straight-lining of rental income of $4,429,000.

Net cash used in investing activities of $40,217,000 was primarily comprised of (i) $28,000,000 for the acquisition of the remaining 50% interest in the Kings Plaza Mall, (ii) the escrowing of cash from the condemnation of a portion of the Paramus property ($2,318,000) and cash from the proceeds from the Kings Plaza Regional Shopping Center loan ($5,212,000) which is restricted as to its use and (iii) capital expenditures of $19,387,000, partially offset by (iv) proceeds from the condemnation of a portion of the Paramus property of $14,700,000.

Net cash provided by financing activities of $47,428,000 was comprised of (i) proceeds from the issuance of debt on the Kings Plaza Regional Center of $90,000,000, offset by (ii) repayments of debt of $39,236,000 and (iii) debt issuance costs of $3,336,000.

Year Ended December 31, 1997

Cash used in operating activities of $1,454,000 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.

Funds from Operations for the Years Ended December 31, 1999 and 1998

Funds from operations were $9,896,000 in the year ended December 31, 1999, an increase of $2,222,000 over the prior year. The following table reconciles funds from operations and net (loss) income:

	1999	1998
Net income (loss)	$ 5,524,000	$ (6,055,000)
Depreciation and amortization of real property	5,441,000	4,289,000
Straight-lining of property rentals for rent escalations	(3,740,000)	(4,102,000)
Write-off of the asset arising from the straight-lining of rents	4,877,000	--
Leasing fees paid in excess of expense recognized	(2,206,000)	(1,994,000)
Write-off of the carrying value of the Lexington Avenue buildings and related development costs	--	15,096,000
Proportionate share of adjustments to equity in income of previously unconsolidated joint venture to arrive at funds from operations	--	440,000
	$ 9,896,000	$ 7,674,000

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:

	1999	1998
Operating activities	$ 9,765,000	$ 5,461,000
Investing activities	$ (47,601,000)	$ (40,217,000)
Financing activities	$ 48,526,000	$ 47,428,000

Year 2000 Issues

The Company is managed by Vornado. Vornado has advised the Company that it has completed its Year 2000 remediation plan, which addressed all mission critical systems. Vornado is not aware of any adverse effects of Year 2000 issues including the inability of a significant vendor to provide services to the Company.

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, 2000. 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.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 (SAB 101). SAB 101 provides clarification in applying generally accepted accounting principles to revenue recognition in financial statements including contingent rentals under leases. Management does not anticipate that implementation of SAB 101 will have a material effect on the Companies financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

At December 31, 1999, the Company had $132,161,000 of variable rate debt at a weighted average interest rate of 8.43% and $197,000,000 of fixed rate debt bearing interest at a weighted average interest rate of 10.58%. A one percent increase in the base used to determine the interest rate of the variable rate debt would result in a $1,322,000 decrease in the Company's annual net income ($.26 per basic and diluted share).

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, 1999 and 1998 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1999. 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, 1999, and 1998, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1999 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 8, 2000
(March 23, 2000 as to note 4)

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(amounts in thousands except share amounts)

	December 31, 1999	December 31, 1998
ASSETS:		
Real estate, at cost:		
Land	$ 83,957	$ 83,957
Buildings, leaseholds and leasehold improvements	155,899	149,054
Capitalized expenses and development costs	87,148	57,675
Total	327,004	290,686
Less accumulated depreciation and amortization	(55,199)	(51,529)
Real estate, net	271,805	239,157
Cash and cash equivalents	26,053	15,363
Restricted cash	20,685	9,402
Accounts receivable, net of allowance for doubtful accounts of $314 and $841 in 1999 and 1998	3,353	3,303
Receivable arising from the straight-lining of rents, net	11,575	13,036
Deferred lease and other property costs	24,788	27,921
Deferred debt expense	4,206	2,693
Other assets	4,031	6,168
TOTAL ASSETS	$ 366,496	$ 317,043

See notes to consolidated financial statements

ALEXANDER'S, INC. AND SUBSIDIARIES

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

	December 31, 1999	December 31, 1998
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Debt (including $95,000 and $45,000 due to Vornado Realty Trust in 1999 and 1998)	$ 329,161	$ 277,113
Amounts due to Vornado Realty Trust and its affiliate	3,821	5,840
Accounts payable and accrued expenses	10,804	10,113
Other liabilities	10,212	17,003
TOTAL LIABILITIES	353,998	310,069
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock: no par value; authorized, 3,000,000 shares; issued, none		
Common stock: $1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares	5,174	5,174
Additional capital	24,843	24,843
Deficiency	(16,559)	(22,083)
	13,458	7,934
Less treasury shares, 172,600 shares at cost	(960)	(960)
Total stockholders' equity	12,498	6,974
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 366,496	$ 317,043

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,		
	1999	1998	1997
Revenues:			
Property rentals	$ 44,232	$ 35,151	$ 18,455
Expense reimbursements	20,158	13,993	2,668
Equity in income of unconsolidated joint venture	--	2,519	4,246
Total revenues	64,390	51,663	25,369
Expenses:			
Operating (including management fee of $1,342, $1,060 and $840 to Vornado)	33,081	20,132	7,459
General and administrative (including management fee of $2,160 to Vornado in each year)	3,692	4,079	3,933
Depreciation and amortization	5,441	4,289	2,714
Total expenses	42,214	28,500	14,106
Operating income	22,176	23,163	11,263
Interest and debt expense (including interest on loan from Vornado)	(17,647)	(15,115)	(13,430)
Interest and other income, net	995	993	719
Write-off resulting from the razing of the building formerly located at the Company's Lexington Avenue site	--	(15,096)	--
Net gain from condemnation proceedings	--	--	8,914
NET INCOME (LOSS)	$ 5,524	$ (6,055)	$ 7,466
Net income (loss) per share (basic and diluted):	$ 1.10	$ (1.21)	$ 1.49

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(amounts in thousands)

	Common Stock	Additional Capital	Deficiency	Treasury Stock	Stockholders' Equity
Balance, January 1, 1997	$ 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
Net loss	--	--	(6,055)	--	(6,055)
Balance, December 31, 1998	5,174	24,843	(22,083)	(960)	6,974
Net income	--	--	5,524	--	5,524
Balance, December 31, 1999	$ 5,174	$ 24,843	$ (16,559)	$ (960)	$ 12,498

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)

	Year Ended December 31,		
	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 5,524	$ (6,055)	$ 7,466
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization (including debt issuance costs)	7,460	5,715	4,494
Straight-lining of rental income, net	(3,416)	(4,429)	(1,821)
Write-off of the asset arising from the straight-lining of rents	4,877	--	--
Write-off resulting from the razing of the building formerly located at the Company's Lexington Avenue site	--	15,096	--
Net gain from condemnation proceedings	--	--	(8,914)
Change in assets and liabilities:			
Accounts receivable	(50)	(1,935)	(863)
Distributions (less than) in excess of equity in income of unconsolidated joint venture	--	(386)	2,002
Amounts due to Vornado Realty Trust and its affiliate	(2,019)	(1,048)	(1,905)
Accounts payable and accrued expenses	691	1,313	(73)
Other	(3,302)	(2,810)	(1,840)
Net cash provided by (used in) operating activities	9,765	5,461	(1,454)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to real estate	(36,318)	(19,387)	(20,625)
Cash restricted for construction financing	(13,601)	(5,212)	3,203
Cash made available (restricted) for operating liabilities	2,318	(2,318)	545
Acquisition of Kings Plaza Mall, net of liabilities of $1,905	--	(28,000)	--
Collection of condemnation proceeds	--	14,700	--
Net cash used in investing activities	(47,601)	(40,217)	(16,877)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of debt	137,676	90,000	16,667
Debt repayments	(85,628)	(39,236)	(926)
Deferred debt expense	(3,522)	(3,336)	(199)
Net cash provided by financing activities	48,526	47,428	15,542
Net increase (decrease) in cash and cash equivalents	10,690	12,672	(2,789)
Cash and cash equivalents at the beginning of the year	15,363	2,691	5,480
Cash and cash equivalents at the end of the year	$ 26,053	$ 15,363	$ 2,691
SUPPLEMENTAL INFORMATION			
Cash payments for interest	$ 24,990	$ 21,553	$ 20,729
Capitalized interest	$ 9,352	$ 7,864	$ 9,079

1998 amounts exclude an increase in real estate of $14,400 and debt of $15,000 and a reduction in minority interest of $600 as a result of the Company acquiring a partnership interest.

See notes to consolidated financial statements.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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1. ORGANIZATION AND BUSINESS

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

In the aggregate, Alexander's operating properties do not generate sufficient cash flow to pay all of its expenses. The Company's three non-operating properties (Lexington Avenue, Paramus, and Rego Park II) are in various stages of development. As rents commence from portions of the development properties and from the vacant property(s), 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. All intercompany accounts and transactions have been eliminated. Certain reclassifications to prior year amounts have been made to conform with the current year's presentation. The Company currently operates in one business segment.

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.

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.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 ranging from four years to forty years. 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 properties are reviewed for impairment if events or changes in circumstances indicate that the carrying amount of the property may not be recoverable. In such an event, a comparison is made of the current and projected operating cash flows of each such property into the foreseeable future on an undiscounted basis, to the carrying amount of 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 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.

The Company has reported NOL carryovers for federal tax purposes of approximately $158,000,000 at December 31, 1999, expiring from 2005 to 2012. The Company also has investment tax and targeted jobs tax credits of approximately $3,000,000 expiring in 2002 through 2005.

The net basis in the Company's assets and liabilities for tax purposes is approximately $80,000,000 lower than the amount reported for financial statement purposes.

Amounts Per Share - Basic income (loss) per share excludes any dilutive effects of options, warrants and convertible securities. Options outstanding were not dilutive in any period.

Stock Options - The Company accounts for stock-based compensation using the intrinsic value method. Under the intrinsic value method compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the exercise price of the option granted. Compensation cost for stock

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

options, if any, is recognized ratably over the vesting period. The Company's policy is to grant options with an exercise price equal to the quoted market price of the Company's stock on the grant date. Accordingly, no compensation cost has been recognized for the Company's stock option plans.

3. ACQUISITION OF KINGS PLAZA MALL AND RELATED FINANCING TRANSACTIONS

In June 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 agreed to pay Federated $15,000,000 to renovate its Macy's store in the Mall ($12,103,000 has been paid as of January 31, 2000) and Federated agreed to certain modifications to the Kings Plaza Operating Agreement. Prior to June 18, 1998, the Company owned a 50% interest in the Mall and had accounted for this investment under the equity method. The acquisition was recorded under the purchase method of accounting. The purchase cost was allocated to the acquired assets and assumed liabilities based on the fair value as of the closing date.

In connection with the acquisition, the Company completed a $90,000,000 three-year mortgage loan. The loan is collateralized by the Company's interest in the Kings Plaza Regional Shopping Center and bears interest at LIBOR plus 1.25% (7.75% at December 31, 1999). In addition to funding the acquisition, the proceeds from the borrowing were also used to repay $34,900,000 of debt. Further, on August 9, 1999 the Company increased the availability under this mortgage by $30,000,000 ($9,935,000 is outstanding as of January 31, 2000) of which $15,000,000 will be used to partially fund a renovation of the Mall estimated to cost $33,000,000 ($9,045,000 has been paid as of January 31, 2000) and $15,000,000 will be used to pay the liability to Federated noted above. The renovations are expected to be completed in 2000.

Set forth below is the unaudited pro forma condensed consolidated operating data for the Company for the years ended December 31, 1998 and 1997 as if the acquisition of the Kings Plaza Mall and the related financing transactions had occurred on January 1, 1997.

(Amounts in thousands, except per share amounts)

	Pro Forma For The Year Ended December 31	
	1998	1997
Revenues	$ 63,309	$ 51,476
Net (loss) income	$ (2,859)	$ 10,157
Net (loss) income per share - basic and diluted	$ (.57)	$ 2.03

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

	For The Period From January 1, 1998 to June 17, 1998	Year Ended December 31, 1997
Operating revenue	$ 14,085,000	$ 30,203,000
Operating costs	8,481,000	19,040,000
Depreciation and amortization	715,000	1,418,000
Interest expense	283,000	710,000
	9,479,000	21,168,000
Operating income	$ 4,606,000	$ 9,035,000
Assets	$ 31,000,000	$33,400,000
Liabilities	$ 12,300,000	$15,200,000

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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4. DEBT

Debt comprises:

	December 31, 1999	December 31, 1998
Term loan to Vornado (1)	$ 95,000,000	$ 45,000,000
Term loan to bank (1)	20,000,000	20,000,000
First mortgage loan, secured by the Company's Kings Plaza Regional Shopping Center (2)	95,676,000	90,000,000
First mortgage loan secured by the Company's Rego Park I Shopping Center (3)	82,000,000	--
First mortgage loan, secured by the Company's Fordham Road property (4)	21,485,000	22,113,000
Secured note (5)	15,000,000	15,000,000
Construction loan, secured by the Company's Rego Park I property (3)	--	75,000,000
First mortgage loan, secured by Company's Paramus property	--	10,000,000
	$ 329,161,000	$ 277,113,000

(1) On October 20, 1999, the Company increased its loan from Vornado by $50,000,000. The Company used the proceeds from the additional loan to fund a portion of the development costs at its Lexington Avenue property and a portion of the costs to refurbish its Kings Plaza Regional Shopping Center. The term loans which were scheduled to mature on March 15, 2000, have been extended to March 15, 2001. The interest rate on the Vornado loan has been reset from 14.18% to 15.72% reflecting an increase in the underlying treasury rate. The interest rate on the bank loan was reset from a fixed rate of 7.10% to a floating rate of LIBOR plus 1.85% (7.67% at December 31, 1999). The loans are secured by liens 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 liens do not cover the Kings Plaza Regional Shopping Center and Rego Park I and are subordinate to first mortgages. The Vornado lien is subordinate to the bank's. The Vornado loan is prepayable quarterly without penalty. Under the terms of the loans, no dividends can be paid unless required to maintain Real Estate Investment Trust ("REIT") status.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) The Company's mortgage loan, which is an obligation of a wholly-owned subsidiary, matures on June 1, 2001 and is secured by a mortgage on the Kings Plaza Regional Shopping Center and guaranteed by the Company. The loan bears interests at LIBOR plus 1.25% (7.75% at December 31, 1999).

(3) The Company's $75,000,000 loan, collateralized by a mortgage on its Rego Park I property, was paid off on May 12, 1999, when the Company, through a newly formed wholly-owned subsidiary, completed an $82,000,000 refinancing of its subsidiary's Rego Park I property. The new 10-year debt, which is an obligation of the subsidiary, matures in May 2009 and bears interest at 7.25%. Amortization of principal begins in July 2004 on a 30-year schedule.

(4) The Company's $21,485,000 loan collateralized by a mortgage on its Fordham Road property, which was scheduled to mature on February 24, 2000, has been extended 60 days in connection with negotiations to extend the loan for an additional three-years. The existing loan bears interest at LIBOR plus 4.25% (10.73% at December 31, 1999). Beginning in 1998, all cash flow of the property after debt service further amortizes the loan. There has been no further amortization through December 31, 1999. Under the terms of the proposed extension, interest accrues at LIBOR plus 1.50% in the first two years and LIBOR plus 1.75% in year three. Interest will be payable at LIBOR for the entire term. Interest accrued but not paid will be added to the outstanding principal balance. The net carrying value of the Fordham Road property is $4,602,000 at December 31, 1999.

(5) The note 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, 1999) and is prepayable without penalty.

A summary of maturities of debt at December 31, 1999, is as follows:

Year Ending December 31,	
2000	21,485,000
2001	210,676,000
2002	--
2003	15,000,000
2004	339,000
	$ 247,500,000

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 $271,805,000 at December 31, 1999.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. 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
2000	$ 31,782,000
2001	29,870,000
2002	28,717,000
2003	29,251,000
2004	29,187,000
Thereafter	317,426,000

Included in operating expenses for the year ended December 31, 1999 is $4,877,000 resulting from the write-off of the asset arising from the straight-lining of rents primarily as a result of Caldor's rejection of its Flushing lease in 1999.

Sears accounted for 22%, 28% and 31% of the Company's consolidated revenues for the years ended December 31, 1999, 1998, and 1997, respectively. Caldor, a former tenant, accounted for 22% of the Company's consolidated revenues in 1997. No other tenant accounted for more than 10% of revenues

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As Lessee

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

Year Ending December 31,	Total Amounts
2000	$ 416,000
2001	416,000
2002	416,000
2003	416,000
2004	416,000
Thereafter	5,679,000

Rent expense was $416,000, $376,000 and $331,000 for the years ended December 31, 1999, 1998 and 1997, respectively.

6. 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. At December 31, 1999, Interstate and its Partners own 27.3% of the outstanding common stock of the Company and owns 15.0% of the outstanding common shares of beneficial interest of Vornado. In addition, Mr. Roth owns 1.8% 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, 17.8% of the outstanding common shares of beneficial interest of Vornado. Vornado owns 32% 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 equal to the sum of (i) $3,000,000, (ii) 3% of the gross income from the Kings Plaza Mall, plus (iii) 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 $1,756,000 at December 31, 1999. 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.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Company owes Vornado $95,000,000, the subordinated tranche of a $115,000,000 secured financing. The Company incurred interest on the loan of $7,857,000, $6,486,000 and $7,214,000 for the years ended December 31, 1999, 1998 and 1997, of which $5,171,000, $4,008,000 and $4,851,000 was capitalized.

7. COMMITMENTS AND CONTINGENCIES

The Company let a contract for $20,000,000 to undertake the excavation, clearing and preparation of the Lexington Avenue property for the development of a large multi-use building. As of January 31, 2000, $5,700,000 has been paid.

In June 1997, the Kings Plaza Regional Shopping Center (the "Center"), commissioned an Environmental Study and Contamination Assessment Site Investigation (the Phase II "Study") to evaluate and delineate environmental conditions disclosed in a Phase I study. The results of the Study indicate the presence of petroleum and bis (2-ethylhexyl) phthalate contamination in the soil and groundwater. The Company has delineated the contamination and has developed a remediation approach. The New York State Department of Environmental Conservation ("NYDEC") has not yet approved the finalization of the approach. In 1997, the Center 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. Based upon revised estimates the Company accrued an additional $500,000 in the second quarter of 1999 ($727,000 has been paid as of January 31, 2000). If the NYDEC insists on a more extensive remediation approach, the Company could incur additional obligations.

The majority of the contamination may have resulted from activities of third parties; however, the sources of the contamination have not been fully identified. Although the Company intends to pursue all available remedies against any potentially responsible third parties, there can be no assurance that such parties will be identified, or if identified, whether these potentially responsible third parties will be solvent. In addition, the costs associated with pursuing any potentially responsible parties may be cost prohibitive. The Company has not recorded an asset as of December 31, 1999 for potential recoveries of environmental remediation costs from other parties.

Letters of Credit

Approximately $900,000 in standby letters of credit were issued at December 31, 1999.

8. 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, 1999.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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, 1999, 1998 and 1997:

	1999	1998	1997
Net income (loss):			
As reported	$ 5,524,000	$ (6,055,000)	$ 7,466,000
Pro forma	$ (1,414,000)	$ (8,009,000)	$ 5,512,000
Net income (loss) per share applicable to common shareholders:			
As reported	$ 1.10	$ (1.21)	$ 1.49
Pro forma	$ (.28)	$ (1.60)	$ 1.10

The fair value of each option grant is estimated on the date of grant using an option-pricing model with the following weighted-average assumptions used for grants in the period ended December 31, 1999 (no options were granted in the years ended December 31, 1998 and 1997):

Expected Volatility	38%
Expected Life	10 years
Risk-free interest rate	6.45%
Expected dividend yield	0%

A summary of the Plan's status, and changes during the years ended December 31, 1999 and 1998, are presented below:

	December 31, 1999		December 31, 1998	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Outstanding at January 1	350,000	$ 73.88	350,000	$ 73.88
Granted	605,000	70.38	--	--
Exercised	--	--	--	--
Outstanding at December 31	955,000	$ 71.66	350,000	$ 73.88
Weighted-average fair value of options granted (per option)	$ 40.81		$ --	

The following table summarizes information about options outstanding under the Plan at December 31, 1999:

Options outstanding:	
Number outstanding at December 31, 1999	955,000
Weighted-average remaining contractual life	8.4 Years
Weighted-average exercise price	$ 71.66
Options exercisable:	
Number exercisable at December 31, 1999	210,000
Weighted-average exercise price	$ 73.88

Shares available for future grant at December 31, 1999 were 595,000.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. INCOME (LOSS) PER SHARE

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

	December 31,		
	1999	1998	1997
Numerator:			
Income (loss) from continuing operations	$ 5,524,000	$ (6,055,000)	$ 7,466,000
Denominator:			
Denominator for basic income (loss) per share - weighted average shares	5,000,850	5,000,850	5,000,850
Effect of dilutive securities:			
Employee stock options	22,072	--	8,302
Denominator for diluted income (loss) per share - adjusted weighted average shares and assumed conversions	5,022,922	5,000,850	5,009,152
Basic and diluted income (loss) per share	$ 1.10	$ (1.21)	$ 1.49

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

	Year Ended December 31, 1999				Year Ended December 31, 1998			
	Quarter Ended				Quarter Ended			
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
Total Revenues	$16,623	$16,037	$ 15,947	$15,783	$8,007	$9,473	$ 16,201	$17,982
Net income (loss)	$ 1,475	$ 2,336	$ 1,635	$ 78 (3)	$ 922	$1,116	$(11,942)(2)	$ 3,849
Income (loss) per common share (basic and diluted) (1)	$ .29	$ .47	$ .32	$ .02	$ .18	$ .22	$ (2.39)	$ .77

(1) The total for the year may differ from the sum of the quarters as a result of weighting.

(2) In September 1998, the Company wrote-off $15,096,000 resulting from the razing of the building formerly located at the Lexington Avenue site.

(3) Net of $4,877,000 resulting from the write-off of the asset arising from the straight-lining of rents, primarily due to Caldor's rejection of its Flushing lease in 1999, of which $1,877,000 was recognized in the fourth quarter of 1999.

ALEXANDER'S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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11. SUBSEQUENT EVENT

The Company is currently undertaking the excavation and laying the foundation for its Lexington Avenue property as part of the proposed development of a large multi-use building. The proposed building is expected to be comprised of a commercial portion, which may include a combination of retail stores, offices, hotel space, extended stay residences, residential rentals and parking; and a residential portion, consisting of condominium units to be sold to the public. In connection therewith, the Company paid $14,500,000 for 140,000 square feet of air rights of which $12,200,000 was paid to Vornado (Vornado's cost plus $243,000 in interest and closing costs). The air rights were contracted for and paid for in 1999, with closings to take place when the developments which give rise to the air rights are completed in 2000. The capital required for the proposed building will be in excess of $400,000,000.

Because a REIT is not permitted to sell condominiums, the air rights representing the residential portion of the property are being transferred to a preferred stock affiliate, a corporation in which the Company owns all of the preferred equity and none of the common equity. The transfer value will be adjusted once the final size of the residential portion is determined.

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, 1999, and such information is incorporated herein by reference. Information relating to Executive Officers of the Registrant appears on page 10 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.

	Pages in this Annual Report on Form 10-K
Schedule III - Real Estate and Accumulated Depreciation	41

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 43

(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 7, 2000

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 7, 2000
/s/ Thomas R. DiBenedetto Thomas R. DiBenedetto	Director	March 7, 2000
/s/ Michael D. Fascitelli Michael D. Fascitelli	Director	March 7, 2000
/s/ David Mandelbaum David Mandelbaum	Director	March 7, 2000
/s/ Stephen Mann Stephen Mann	Director	March 7, 2000
/s/ Arthur I. Sonnenblick Arthur I. Sonnenblick	Director	March 7, 2000
/s/ Neil Underberg Neil Underberg	Director	March 7, 2000
/s/ Richard West Richard West	Director	March 7, 2000
/s/ Russell B. Wight, Jr. Russell B. Wight, Jr.	Director	March 7, 2000

ALEXANDER'S, INC. AND SUBSIDIARIES
SCHEDULE III - REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 1999
(amounts in thousands)

	Column A	Column B	Column C	Column D	Column E	
Description	Encumbrances	Land	Initial Cost to Company (2) Building, Leaseholds and Leasehold Improvements	Cost Capitalized Subsequent to Acquisition(3)	Land	Gross Amount at which Carried at Close of Period- Buildings, Leasehold and Leaseholds Improvements
Commercial Property:						
New York City, New York:						
Fordham Rd.	$ 21,485	$ 2,301	$ 9,258	--	$ 2,301	$ 9,258
Third Avenue	--	1,201	4,437	--	1,201	4,437
Rego Park I	82,000	1,647	8,953	$ 57,314	1,647	66,267
Rego Park II	--	3,906	1,467	433	3,906	1,566
Flushing	--	--	1,660	--	--	1,660
Lexington Ave.	15,000	14,432	12,355	94,338	48,379	--
Flatbush Ave. and Avenue U	95,676	497	9,542	85,351	24,483	70,907
Total New York	214,161	23,984	47,672	237,436	81,917	154,095
New Jersey - Paramus	--	1,441	--	10,444	1,441	--
Other Properties	--	599	1,804	3,624	599	1,804
Other secured debt	115,000 (1)					
TOTAL	$ 329,161	$26,024	$ 49,476	$ 251,504	$83,957	$ 155,899

	Column F	Column G	Column H	Column I	Column J	
Description	Capitalized Expenses and Pre-development Costs	Total(3)	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired (2)	Life on Which Latest Income Statement is Computed
Commercial Property:						
New York City, New York:						
Fordham Rd.	--	$ 11,559	$ 6,957	1933	1992	4-40 years
Third Avenue	--	5,638	3,156	1928	1992	13 years
Rego Park I	--	67,914	13,936	1959	1992	6-40 years
Rego Park II	$ 334	5,806	1,456	1965	1992	5-39 years
Flushing	--	1,660	1,660	1975(4)	1992	10-22 years
Lexington Ave.	72,746	121,125	--	--	1992	--
Flatbush Ave. and Avenue U	--	95,390	26,228	1970	1992	10-40 years
Total New York	73,080	309,092	53,393			
New Jersey - Paramus	10,444	11,885	--	--	1992	--
Other Properties	3,624	6,027	1,806	Various	1992	7-25 years
Other secured debt						

TOTAL	$ 87,148	$ 327,004	$ 55,199
	=========	=========	=========

(1) The loans, which were scheduled to mature in March 2000, have been extended to March 2001. The loans are secured by liens 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, except for the Kings Plaza Regional Shopping Center and Rego Park I. These liens are subordinate to first mortgages.

(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 $80,000,000 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, 1999	December 31, 1998
REAL ESTATE:		
Balance at beginning of period	$ 290,686	$ 216,346
Additions during the period:		
Buildings, leaseholds and leasehold improvements	6,846	18,072
Acquisition of remaining 50% interest in the Kings Plaza Mall (the "Acquisition")	--	29,905
Reclassification of 50% investment of joint venture due to the Acquisition	--	29,498
Capitalized expenses and development costs	29,472	15,715
	327,004	309,536
Less: Write-off of the Lexington Avenue buildings	--	(18,850)
Balance at end of period	$ 327,004	$ 290,686
ACCUMULATED DEPRECIATION:		
Balance at beginning of period	$ 51,529	$ 35,224
Reclassification of 50% investment of joint venture due to the Acquisition	--	16,955
Additions charged to operating expenses	3,670	3,104
	55,199	55,283
Less: Write-off of the Lexington Avenue buildings	--	(3,754)
Balance at end of period	$ 55,199	$ 51,529

Index to Exhibits

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

Exhibit No.	Document	
3(i)	Certificate of Incorporation, as amended. Incorporated herein by reference from Exhibit 3.0 to the Registrant's Current Report on Form 8-K dated September 21, 1993.	*
3(ii)	By-laws, as amended. Incorporated herein by reference from Exhibit 3.1 to the Registrants Form 10-Q for the quarter ended September 30, 1996.	*
10(i)(A)(1)	Agreement, dated as of December 4, 1985, among Seven Thirty One Limited Partnership ("731 Limited Partnership"), Alexander's Department Stores of Lexington Avenue, Inc., the Company, Emanuel Gruss, Riane Gruss and Elizabeth Goldberg (collectively, the "Partners"). Incorporated herein by reference from Exhibit 10(i)(F)(1) to the Registrant's Form 10-K for the fiscal year ended July 26, 1986.	*
10(i)(A)(2)	Amended and Restated Agreement of Limited Partnership in the 731 Limited Partnership, dated as of August 21, 1986, among the Partners. Incorporated herein by reference from Exhibit 1 to the Registrant's Current Report on Form 8-K, dated August 21, 1986.	*
10(i)(A)(3)	Third Amendment to Amended and Restated Agreement of Limited Partnership dated December 30, 1994, among the Partners. Incorporated herein by reference from Exhibit 10(i)(A)(3) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(B)(1)	Promissory Note Modification Agreement, dated October 4, 1993, between Alexander's Department Stores of New Jersey, Inc. and New York Life Insurance Company ("New York Life"). Incorporated herein by reference from Exhibit 10(i)(3)(a) to the Registrant's Form 10-K for the Transition Period August 1, 1993 to December 31, 1993.	*
10(i)(B)(2)	Mortgage Modification Agreement, dated October 4, 1993, by Alexander's Department Stores of New Jersey, Inc. and New York Life Incorporated herein by reference from Exhibit 10(i)(E)(3)(a) to the Registrant's Form 10-K for the Transition Period August 1, 1993 to December 31, 1993.	*
10(i)(C)	Credit Agreement, dated March 15, 1995, among the Company and Vornado Lending Corp. Incorporated herein by reference from Exhibit 10(i)(C) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*
10(i)(D)	Credit Agreement, dated March 15, 1995, among the Company and First Union Bank, National Association. Incorporated herein by reference from Exhibit 10(i)(D) to the Registrant's Form 10-K for the fiscal year ended December 31, 1994.	*

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* Incorporated by reference

Exhibit No.	Document	
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).	*
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.	*

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*   Incorporated by reference

Exhibit No.	Document	
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.	*
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.	*
12	Consolidated Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividend Requirements.	

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* Incorporated by reference

EXHIBIT NO.	DOCUMENT
13	Not applicable.
16	Not applicable.
18	Not applicable.
19	Not applicable.
21	Subsidiaries of Registrant.
22	Not applicable.
23	Consent by Deloitte & Touche LLP.
25	Not applicable.
27	Financial Data Schedule.
29	Not applicable.

EXHIBIT 12

ALEXANDER'S, INC.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

(amounts in thousands except ratios)

	December 31, 1999	December 31, 1998	December 31, 1997	December 31, 1996	December 31, 1995
Income (loss) from continuing operations before reversal of deferred taxes	$ 5,524	$ (6,055)	$ 7,466	$ 13,097	$ (9,102)
Fixed charges (1)	17,786	16,651	13,749	14,464	13,607
Income from continuing operation before income taxes and fixed charges	$ 23,310	$ 10,596	$ 21,215	$ 27,561	$ 4,505
Fixed charges:					
Interest and debt expense	$ 17,647	$ 16,541	$ 13,639	$ 14,299	$ 13,442
1/3 of rent expense - interest factor	139	110	110	165	165
	17,786	16,651	13,749	14,464	13,607
Capitalized interest	9,352	7,864	9,079	8,552	6,575
	$ 27,138	$ 24,515	$ 22,828	$ 23,016	$ 20,182
Ratio of earnings to fixed charges	--	--	--	1.20	--
Deficiency in earnings available to cover fixed charges	$ (3,828)	$ (13,919)	$ (1,613)	--	$ (15,677)

Notes:

(1) 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).

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.
Alexander's Personnel Providers, Inc.
Alexander's Kings Plaza Center, Inc.
Kings Plaza Corp. N.Y.
Alexander's Rego Shopping Center Inc.
Seven Thirty One Limited Partnership

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 8, 2000 (March 23, 2000 as to note 4), appearing in this Annual Report on Form 10-K of Alexander's, Inc. for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Parsippany, New Jersey
March 23, 2000

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANYS
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1999 AND IS
QUALIFIED IN ITS ENTIRITY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

12-MOS
DEC-31-1999
DEC-31-1999
26,053
0
3,667
(341)
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0
327,004
(55,199)
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329,161
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366,496
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64,390
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5,524
0
5,524
0
0
0
5,524
1.10
1.10