ALEXANDERS INC
Form 10-Q
May 05, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark one)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **March 31, 2008**

Or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)**

OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from: **to**

Commission File Number: **001-6064**

ALEXANDER S, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**51-0100517** (I.R.S. Employer Identification Number)
210 Route 4 East, Paramus, New Jersey (Address of principal executive offices)	**07652** (Zip Code)

(212) 587-8541

(Registrant s telephone number, including area code)

N/A

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

o Large Accelerated Filer	x Accelerated Filer
o Non-Accelerated Filer (Do not check if smaller reporting company)	o Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). o Yes x No

As of March 31, 2008, there were 5,045,950 shares of common stock, par value $1 per share, outstanding.

ALEXANDER S, INC.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***
ALEXANDER S, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(Amounts in thousands, except share and per share amounts)

	March 31, 2008	December 31, 2007
ASSETS		
Real estate, at cost:		
Land	$ 74,921	$ 69,455
Buildings, leaseholds and leasehold improvements	593,911	593,818
Construction in progress	191,734	171,808
Total	860,566	835,081
Accumulated depreciation and amortization	(100,477)	(96,183)
Real estate, net	760,089	738,898
Cash and cash equivalents	576,530	560,231
Restricted cash	8,518	4,987
Accounts receivable, net of allowance for doubtful accounts of $661 and $667, respectively	4,612	6,217
Receivable arising from the straight-lining of rents	133,559	130,483
Deferred lease and other property costs, net (including unamortized leasing fees to Vornado of $41,290 and $41,988, respectively)	65,080	66,243
Deferred debt issuance costs, net	14,891	15,553
Other assets	10,181	9,798
TOTAL ASSETS	$ 1,573,460	$ 1,532,410
LIABILITIES AND STOCKHOLDERS EQUITY		
Debt	$ 1,132,387	$ 1,110,197
Accounts payable and accrued expenses	57,616	55,655
Liability for stock appreciation rights	142,062	141,437
Amounts due to Vornado	41,192	40,561
Liability for income taxes and other	47,751	47,134
TOTAL LIABILITIES	1,421,008	1,394,984
MINORITY INTEREST	2,056	2,323
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS EQUITY		
Preferred stock: $1.00 par value per share; authorized, 3,000,000 shares; issued and outstanding, none		
Common stock: $1.00 par value per share; authorized, 10,000,000 shares; issued, 5,173,450 shares; outstanding 5,045,950 shares and 5,043,950 shares, respectively	5,173	5,173
Additional paid-in capital	27,766	27,636
Retained earnings	118,166	103,014
	151,105	135,823
Treasury shares: 127,500 and 129,500 shares, at cost	(709)	(720)
Total stockholders equity	150,396	135,103
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 1,573,460	$ 1,532,410

See notes to consolidated financial statements.

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ALEXANDER S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(Amounts in thousands, except per share amounts)

	Three Months Ended March 31,	
	2008	**2007**
REVENUES		
Property rentals	$ 36,033	$ 34,874
Expense reimbursements	15,733	17,322
Total revenues	51,766	52,196
EXPENSES		
Operating (including fees to Vornado of $1,203 and $1,206, respectively)	17,667	17,925
General and administrative (including stock appreciation rights (SARs) expense of $625 in 2008, and a reversal of previously recognized SARs expense of $14,311 in 2007, and management fees to Vornado of $540 in each period)	1,846	(12,659)
Depreciation and amortization	5,601	5,509
Total expenses	25,114	10,775
OPERATING INCOME	26,652	41,421
Interest and other income, net	4,416	7,062
Interest and debt expense	(15,681)	(16,638)
Minority interest of partially owned entity	267	331
Income before income taxes	15,654	32,176
Income tax expense of taxable REIT subsidiary	(502)	
NET INCOME	$ 15,152	$ 32,176
Net income per common share - basic	$ 3.00	$ 6.39
Net income per common share - diluted	$ 2.98	$ 6.32

See notes to consolidated financial statements.

ALEXANDER S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Amounts in thousands)

	Three Months Ended March 31,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2008**	**2007**
Net income	$ 15,152	$ 32,176
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Liability for stock appreciation rights	625	(15,049)
Depreciation and amortization (including amortization of debt issuance costs)	6,263	6,171
Straight-lining of rental income	(3,076)	(3,721)
Minority interest of partially owned entity	(267)	(331)
Change in operating assets and liabilities:		
Accounts receivable, net	1,605	(2,802)
Other assets	(527)	(599)
Amounts due to Vornado	631	945
Accounts payable and accrued expenses	3,715	8,415
Payment for stock appreciation rights		(50,465)
FIN 48 Income tax liability	634	
Other liabilities	(17)	700
Net cash provided by (used in) operating activities	24,738	(24,560)
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress and real estate additions	(27,239)	(26,112)
Restricted cash	(3,531)	(3,543)
Net cash used in investing activities	(30,770)	(29,655)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	25,875	
Debt repayments	(3,685)	(3,586)
Exercise of stock options	141	211
Net cash provided by (used in) financing activities	22,331	(3,375)
Net increase (decrease) in cash and cash equivalents	16,299	(57,590)
Cash and cash equivalents at beginning of period	560,231	615,516
Cash and cash equivalents at end of period	$ 576,530	$ 557,926
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest (of which $2,380 and $671 have been capitalized)	$ 16,848	$ 16,045
Cash payments for income taxes	$ 702	$

See notes to consolidated financial statements.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

1. Organization

Alexander s, Inc. (NYSE: ALX) is a real estate investment trust (REIT), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to we, us, our, or Company refer to Alexander s, Inc. and its consolidated subsidiaries. We are managed by, and our properties are leased and developed by, Vornado Realty Trust (Vornado) (NYSE: VNO).

2. Basis of Presentation

The consolidated balance sheet at March 31, 2008, the consolidated statements of operations for the three months ended March 31, 2008 and 2007, and the consolidated statements of cash flows for the three months ended March 31, 2008 and 2007 are unaudited. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in accordance with Article 10 of Regulation S-X and the instructions to Form 10-Q. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2007, as filed with the Securities and Exchange Commission. The results of operations for the three months ended March 31, 2008 are not necessarily indicative of the operating results for the full year.

The accompanying consolidated financial statements include our accounts and that of our consolidated subsidiaries. All significant intercompany amounts have been eliminated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

We currently operate in one business segment.

3. Recently Issued Accounting Literature

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 became effective for our financial assets and liabilities on January 1, 2008. The FASB has deferred the implementation of the provisions of SFAS No. 157 relating to certain nonfinancial assets and liabilities until January 1, 2009. SFAS No. 157 did not materially affect how we determine fair value.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits companies to measure many financial instruments and certain other items at fair value. SFAS No. 159 became effective for us on January 1, 2008. We have not elected the fair value option for any of our existing financial instruments on the effective date and have not determined whether or not we will elect this option for any eligible financial instruments we acquire in the future.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

3. Recently Issued Accounting Literature - continued

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*. SFAS No. 141R broadens the guidance of SFAS No. 141, extending its applicability to all transactions and other events in which one entity obtains control over one or more other businesses. It broadens the fair value measurement and recognition of assets acquired, liabilities assumed, and interests transferred as a result of business combinations; and stipulates that acquisition related costs be expensed rather than included as part of the basis of the acquisition. SFAS No. 141R expands required disclosures to improve the ability to evaluate the nature and financial effects of business combinations. SFAS No. 141R is effective for all transactions entered into, on or after January 1, 2009. We are currently evaluating the impact SFAS No. 141R will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51*. SFAS No. 160 requires a noncontrolling interest in a subsidiary to be reported as equity and the amount of consolidated net income specifically attributable to the noncontrolling interest to be identified in the consolidated financial statements. SFAS No. 160 also calls for consistency in the manner of reporting changes in the parent s ownership interest and requires fair value measurement of any noncontrolling equity investment retained in a deconsolidation. SFAS No. 160 is effective on January 1, 2009. We are currently evaluating the impact SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an Amendment of FASB Statement No. 133.* SFAS No. 161 expands the disclosure requirements in SFAS No. 133, regarding an entity s derivative instruments and hedging activities. SFAS No. 161 is effective on January 1, 2009. We believe that the adoption of SFAS No. 161 on January 1, 2009, will not have a material effect on our consolidated financial statements.

4. Relationship with Vornado

At March 31, 2008, Vornado owned 32.8% of our outstanding common stock. We are managed by, and our properties are leased and developed by, Vornado, pursuant to the agreements described below, which expire in March of each year and are automatically renewable.

Management and Development Agreements

We pay Vornado an annual management fee equal to the sum of (i) $3,000,000, (ii) 3% of gross income from the Kings Plaza Regional Shopping Center, (iii) $0.50 per square foot of the tenant-occupied office and retail space at 731 Lexington Avenue and (iv) $227,000, escalating at 3% per annum, for managing the common area of 731 Lexington Avenue.

In addition, Vornado is entitled to a development fee of 6% of development costs, as defined, with minimum guaranteed fees of $750,000 per annum. The development fee for the Rego Park II project (see note 5) is estimated to be approximately $17,500,000, of which $2,059,000 has been paid as of March 31, 2008. The balance is due on substantial completion of the construction.

Leasing Agreements

Vornado also provides us with leasing services for a fee of 3% of rent for the first ten years of a lease term, 2% of rent for the eleventh through the twentieth year of a lease term, and 1% of rent for the twenty-first through thirtieth year of a lease term, subject to the payment of rents by tenants. In the event third-party real estate brokers are used, the fees to Vornado increase by 1% and Vornado is responsible for the fees to the third-party real estate brokers. Vornado is also entitled to a commission upon the sale of any of our assets equal to 3% of gross proceeds, as defined, for asset sales less than $50,000,000 and 1% of gross proceeds, as defined, for asset sales of $50,000,000 or more. The total of these amounts is payable in annual installments in an amount not to exceed $4,000,000, with interest on the unpaid balance at LIBOR plus 1.0% (5.19% at March 31, 2008).

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

4. Relationship with Vornado - continued

Other Agreements

We have also entered into agreements with Building Maintenance Services, a wholly owned subsidiary of Vornado, to supervise cleaning, engineering and security services at our Lexington Avenue and Kings Plaza properties for an annual fee of the cost for such services plus 6%.

The following is a summary of fees to Vornado that were incurred under the agreements discussed above.

(Amounts in thousands)	Three Months Ended March 31,	
	2008	**2007**
Company management fees	$ 750	$ 750
Development fees	1,263	738
Leasing fees	633	1,686
Property management fees and payments for cleaning, engineering and security services	993	996
	$ 3,639	$ 4,170

At March 31, 2008, we owed Vornado $33,112,000 for leasing fees, $6,799,000 for the earned portion of the Rego II development fee discussed above, and $1,281,000 for management, property management and cleaning fees.

5. Rego Park II Project

We own approximately 6.6 acres of land adjacent to our Rego Park I property in Queens, New York, which comprises the entire square block bounded by the Horace Harding Service Road (of the Long Island Expressway), 97th Street, 62nd Drive and Junction Boulevard. The development at Rego Park II consists of a 600,000 square foot shopping center on four levels and a parking deck containing approximately 1,400 spaces. Construction has commenced, is expected to be completed in 2009 and estimated to cost approximately $410,000,000, of which $189,185,000 has been expended as of March 31, 2008. The development may also include an apartment tower containing up to 315 apartments. The shopping center will be anchored by a 134,000 square foot Century 21 department store, a 138,000 square foot Home Depot and a 132,000 square foot Kohl s.

There can be no assurance that this project will be completed, completed on time, or completed for the budgeted amount.

6. Debt

The following is a summary of our outstanding debt.

(Amounts in thousands)	Maturity	Interest Rate at March 31, 2008	Balance at March 31, 2008	December 31, 2007
First mortgage, secured by the office space at the Lexington Avenue property	Feb. 2014	5.33%	$ 381,185	$ 383,670
First mortgage, secured by the retail space at the Lexington Avenue property [1]	Jul. 2015	4.93%	320,000	320,000
First mortgage, secured by the Kings Plaza Regional Shopping Center	Jun. 2011	7.46%	202,483	203,456
First mortgage, secured by the Rego Park I Shopping Center	Jun. 2009	7.25%	79,058	79,285
First mortgage, secured by the Paramus property	Oct. 2011	5.92%	68,000	68,000
$350,000 construction loan, secured by the Rego Park II Shopping Center	Dec. 2010	4.30%[2]	81,661	55,786
			$ 1,132,387	$ 1,110,197

(1) In the event of a substantial casualty, as defined, up to $75,000 of this loan may become recourse to us.
(2) This loan bears interest at LIBOR plus 1.20% and has a three-year term, with a one-year extension option.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

7. FIN 48 Income Tax Liability

As of March 31, 2008 and December 31, 2007, we had $46,753,000 and $46,119,000, respectively, of unrecognized tax benefits that if recognized, would result in non-cash income, reducing our effective tax rate. These amounts, which include $8,147,000 and $7,513,000, of accrued interest as of March 31, 2008 and December 31, 2007, respectively, are included as a component of liability for income taxes and other in our consolidated balance sheets.

We recognize interest related to the unrecognized tax benefits in interest and debt expense in our consolidated statement of operations. In the three months ended March 31, 2008 and 2007, we recognized $634,000 and $619,000, respectively, of interest related to the unrecognized tax benefits. In the third quarter of 2008, we anticipate a $300,000 reduction in the liability for unrecognized tax benefits, due to the expiration of the applicable statute of limitations.

As of March 31, 2008, our 2003 to 2006 tax years remain open to examination by the major taxing jurisdictions to which we are subject. In late 2007, we were notified by the IRS of its intent to audit our 2005 federal income tax return. This audit commenced in the first quarter of 2008. We believe that our income tax liability is sufficient to cover any potential assessments that may arise from such examination.

8. Stock Appreciation Rights

Stock appreciation rights (SARs) are granted at 100% of the market price of our common stock on the date of grant. Compensation expense for each SAR is measured by the excess of stock price at the current balance sheet date over the stock price at the previous balance sheet date. If the stock price is lower at the current balance sheet date, previously recognized expense is reversed but not below zero. In the three months ended March 31, 2008, we accrued $625,000 for SARs compensation expense, based on our closing stock price of $354.50 at March 31, 2008 (compared to $353.25 at December 31, 2007). In the three months ended March 31, 2007, we reversed $14,311,000 of previously recognized expense, based on our closing stock price of $411.70 at March 31, 2007 (compared to $419.65 at December 31, 2006) and the exercise of the 350,000 SARs discussed below.

On March 13, 2007, Michael Fascitelli, our President, exercised 350,000 of his existing SARs. These SARs were granted to him on January 10, 2006 and were scheduled to expire on March 14, 2007. He received $144.18 for each SAR exercised, representing the difference between our stock price of $388.01 (the average of the high and low market price) on the date of exercise and the exercise price of $243.83.

9. Commitments and Contingencies

Insurance

We carry commercial liability and all risk property insurance for (i) fire, (ii) flood, (iii) rental loss, (iv) extended coverage, and (v) acts of terrorism, as defined in the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007, which expires in 2014, with respect to our assets, with limits of (i) $965,000,000 per occurrence, including terrorist acts, as defined, for our 731 Lexington Avenue property, and (ii) $500,000,000 per occurrence, including terrorist acts, as defined, for our other properties. To the extent that we incur losses in excess of our insurance coverage, these losses would be borne by us and could be material.

Our debt instruments, consisting of mortgage loans secured by our properties (which are generally non-recourse to us), contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for the purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. Further, if lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance and/or refinance our properties.

Environmental Remediation

In July 2006, we discovered an oil spill at our Kings Plaza Regional Shopping Center. We have notified the New York State Department of Environmental Conservation (NYSDEC) about the spill and have developed a remediation plan. The NYSDEC has approved a portion of the remediation plan and clean up is ongoing. The estimated costs associated with the clean up will aggregate approximately $2,500,000 and a claim has been made under our insurance policy, subject to our $500,000 deductible which has been paid.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

9. Commitments and Contingencies - continued

Flushing Property

In the fourth quarter of 2003, we recognized $1,289,000 of income representing a non-refundable deposit of $1,875,000, net of $586,000 of costs associated with the transaction, from a party that had agreed to purchase this property, as such party had not met its obligations under a May 30, 2002 purchase contract. On September 10, 2002, November 7, 2002, and July 8, 2004, we received letters from the party demanding return of the deposit. On December 28, 2005, the party filed a complaint against us in the Supreme Court of the State of New York alleging that we failed to honor the terms and conditions of the agreement. The complaint seeks specific performance and, if specific performance is denied, it seeks the return of the deposit plus interest and $50,000 in costs. Pursuant to discussions with our legal counsel, we do not believe the party is entitled to either specific performance or a return of the deposit and we are defending against the action.

Other

There are various other legal actions against us in the ordinary course of business. In our opinion, the outcome of such matters will not have a material effect on our financial condition, results of operations or cash flows.

Paramus

In 2001 we leased 30.3 acres of land located in Paramus, New Jersey to IKEA Property, Inc. The lease has a 40-year term with a purchase option in 2021 for $75,000,000. We have a $68,000,000 interest only, non-recourse mortgage loan on the property from a third party lender. The fixed interest rate on the debt is 5.92% with interest payable monthly until maturity in October 2011. The annual triple-net rent is the sum of $700,000 plus the amount of debt service on the mortgage loan. If the purchase option is exercised, we will receive net cash proceeds of approximately $7,000,000 and recognize a gain on sale of land of approximately $62,000,000. If the purchase option is not exercised, the triple-net rent for the last 20 years must include the debt service sufficient to fully amortize $68,000,000 over the remaining 20-year lease term.

Letters of Credit

We have approximately $7,998,000 in standby letters of credit that were issued and outstanding as of March 31, 2008.

10. Income Per Share

The following table sets forth the computation of basic and diluted income per share, including a reconciliation of net income and the number of shares used in computing basic and diluted earning per share. Basic earnings per share is determined using the weighted average shares of common stock outstanding during the period. Diluted earnings per share is determined using the weighted average shares of common stock outstanding during the period and assumes all potentially dilutive securities were converted into common shares at the earliest date possible.

(Amounts in thousands, except share and per share amounts)	Three Months Ended March 31, 2008	2007
Net income applicable to common stockholders basic and diluted	$ 15,152	$32,176
Weighted average shares outstanding basic	5,044,675	5,038,561
Dilutive effect of stock options	48,298	56,051
Weighted average shares outstanding diluted	5,092,973	5,094,612
Net income per common share - basic	$ 3.00	$6.39
Net income per common share - diluted	$ 2.98	$6.32

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Alexander s, Inc.

Paramus, New Jersey

We have reviewed the accompanying consolidated balance sheet of Alexander s, Inc. and subsidiaries (the Company) as of March 31, 2008, and the related consolidated statements of operations and cash flows for the three-month periods ended March 31, 2008 and 2007. These interim financial statements are the responsibility of the Company s management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to such consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Alexander s, Inc. and subsidiaries as of December 31, 2007, and the related consolidated statements of operations, stockholders equity, and cash flows for the year then ended (not presented herein); and in our report dated February 25, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 2007 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ DELOITTE & TOUCHE LLP

Parsippany, New Jersey

May 5, 2008

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

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Our future results, financial condition, results of operations and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as approximates, believes, expects, anticipates, estimates, intends, plans, would, may or other similar expressions in this Quarterly 10-Q. We also note the following forward-looking statements: in the case of our development project, the estimated completion date, estimated project costs and costs to complete. These forward-looking statements represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Many of the factors that will determine these items are beyond our ability to control or predict. For a further discussion of factors that could materially affect the outcome of our forward-looking statements, see Item 1A - Risk Factors in our Annual Report on Form 10-K.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly, any revisions to our forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q.

Management s Discussion and Analysis of Financial Condition and Results of Operations includes a discussion of our consolidated financial statements for the three months ended March 31, 2008 and 2007. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Overview

Alexander s, Inc. is a real estate investment trust (REIT), incorporated in Delaware, engaged in leasing, managing, developing and redeveloping its properties. All references to we, us, our, or Company refer to Alexander s, Inc. and its consolidated subsidiaries. We are managed by, and o properties are leased and developed by, Vornado Realty Trust (Vornado). We have seven properties in the greater New York City metropolitan area including the 731 Lexington Avenue property, a 1.3 million square foot multi-use building in Manhattan, and the Kings Plaza Regional Shopping Center located in Brooklyn.

We compete with a large number of real estate property owners and developers, some of which may be willing to accept lower returns on their investments. Principal factors of competition are rents charged, attractiveness of the location, the quality of the property and breadth and quality of the services provided. Our success depends upon, among other factors, trends of national and local economies, the financial condition and operating results of current and prospective tenants and customers, availability and cost of capital, construction and renovation costs, taxes, governmental regulations, legislation and population trends.

Beginning in the second half of 2007, the residential mortgage and capital markets began showing signs of stress, primarily in the form of escalating default rates on subprime mortgages and declining residential housing prices nationwide. This credit crisis spread to the broader commercial credit markets and has generally reduced the availability of financing and widened spreads. These factors, coupled with a slowing economy, may negatively impact the volume of real estate transactions and cap rates, which would negatively impact stock price performance of public real estate companies, including ours. If these conditions persist in 2008 and beyond, our real estate portfolio may experience lower occupancy and lower effective rents, which would result in a corresponding decrease in net income and funds from operations.

Stock Appreciation Rights

Stock appreciation rights (SARs) are granted at 100% of the market price of our common stock on the date of grant. Compensation expense for each SAR is measured by the excess of stock price at the current balance sheet date over the stock price at the previous balance sheet date. If the stock price is lower at the current balance sheet date, previously recognized expense is reversed but not below zero. In the three months ended March 31, 2008, we accrued $625,000 for SARs compensation expense, based on our closing stock price of $354.50 at March 31, 2008 (compared to $353.25 at December 31, 2007). In the three months ended March 31, 2007, we reversed $14,311,000 of previously recognized expense, based on our closing stock price of $411.70 at March 31, 2007 (compared to $419.65 at December 31, 2006) and the exercise of the 350,000 SARs discussed below.

On March 13, 2007, Michael Fascitelli, our President, exercised 350,000 of his existing SARs. These SARs were granted to him on January 10, 2006 and were scheduled to expire on March 14, 2007. He received $144.18 for each SAR exercised, representing the difference between our stock price of $388.01 (the average of the high and low market price) on the date of exercise and the exercise price of $243.83.

Critical Accounting Policies

A summary of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2007 in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and Note 2 Summary of Significant Accounting Policies to the consolidated financial statements included therein. There have been no significant changes to those policies during 2008.

Recently Issued Accounting Literature

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 became effective for our financial assets and liabilities on January 1, 2008. The FASB has deferred the implementation of the provisions of SFAS No. 157 relating to certain nonfinancial assets and liabilities until January 1, 2009. SFAS No. 157 did not materially affect how we determine fair value.

Recently Issued Accounting Literature - continued

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*. SFAS No. 159 permits companies to measure many financial instruments and certain other items at fair value. SFAS No. 159 became effective for us on January 1, 2008. We have not elected the fair value option for any of our existing financial instruments on the effective date and have not determined whether or not we will elect this option for any eligible financial instruments we acquire in the future.

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations*. SFAS No. 141R broadens the guidance of SFAS No. 141, extending its applicability to all transactions and other events in which one entity obtains control over one or more other businesses. It broadens the fair value measurement and recognition of assets acquired, liabilities assumed, and interests transferred as a result of business combinations; and stipulates that acquisition related costs be expensed rather than included as part of the basis of the acquisition. SFAS No. 141R expands required disclosures to improve the ability to evaluate the nature and financial effects of business combinations. SFAS No. 141R is effective for all transactions entered into, on or after January 1, 2009. We are currently evaluating the impact SFAS No. 141R will have on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51*. SFAS No. 160 requires a noncontrolling interest in a subsidiary to be reported as equity and the amount of consolidated net income specifically attributable to the noncontrolling interest to be identified in the consolidated financial statements. SFAS No. 160 also calls for consistency in the manner of reporting changes in the parent s ownership interest and requires fair value measurement of any noncontrolling equity investment retained in a deconsolidation. SFAS No. 160 is effective on January 1, 2009. We are currently evaluating the impact SFAS No. 160 will have on our consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities an Amendment of FASB Statement No. 133.* SFAS No. 161 expands the disclosure requirements in SFAS No. 133, regarding an entity s derivative instruments and hedging activities. SFAS No. 161 is effective on January 1, 2009. We believe that the adoption of SFAS No. 161 on January 1, 2009, will not have a material effect on our consolidated financial statements.

Significant Tenants

Bloomberg L.P. accounted for approximately 32% of our consolidated revenues in each of the three months ended March 31, 2008 and 2007, respectively. No other tenant accounted for more than 10% of our consolidated revenues.

Results of Operations for the Three Months Ended March 31, 2008 and 2007

Net income for the quarter ended March 31, 2008 was $15,152,000, compared to $32,176,000 for the quarter ended March 31, 2007. Net income for the quarter ended March 31, 2008 includes $625,000 for an accrual of SARs compensation expense, compared to $14,311,000 for the reversal of a portion of previously recognized SARs expense, in the quarter ended March 31, 2007.

Property Rentals

Property rentals were $36,033,000 in the quarter ended March 31, 2008, compared to $34,874,000 in the prior year s quarter, an increase of $1,159,000. This increase was primarily attributable to the Lowe s ground lease at Kings Plaza, which commenced at the end of February 2007.

Expense Reimbursements

Tenant expense reimbursements were $15,733,000 in the quarter ended March 31, 2008, compared to $17,322,000 in the prior year s quarter, a decrease of $1,589,000. This decrease was primarily due to lower operating costs at the Kings Plaza energy plant and a true-up in billings for operating expense reimbursements.

Operating Expenses

Operating expenses were $17,667,000 in the quarter ended March 31, 2008, compared to $17,925,000 in the prior year s quarter, a decrease of $258,000. This decrease was primarily due to lower operating costs at our Kings Plaza energy plant.

General and Administrative Expenses

Excluding $625,000 for an accrual of SARs compensation expense in the quarter ended March 31, 2008, and $14,311,000 for the reversal of a portion of previously recognized expense in the quarter ended March 31, 2007, general and administrative expenses decreased by $431,000 from the prior year s quarter. This decrease resulted primarily from organization costs incurred in the prior year s quarter, in connection with forming the Kings Plaza energy plant joint venture.

Interest and Other Income, net

Interest and other income, net was $4,416,000 in the quarter ended March 31, 2008, compared to $7,062,000 in the prior year s quarter, a decrease of $2,646,000. This decrease resulted primarily from lower average yields on investments of approximately 1.6%, from 4.9% in the quarter ended March 31, 2007 to 3.3% in the quarter ended March 31, 2008.

Interest and Debt Expense

Interest and debt expense was $15,681,000 in the quarter ended March 31, 2008, compared to $16,638,000 in the prior year s quarter, a decrease of $957,000. This decrease was primarily due to higher capitalized interest in the current year s quarter as a result of our Rego Park II development project.

Minority Interest of Partially Owned Entity

Minority interest of partially owned entity represents our venture partner s 75% pro rata share of net loss in our consolidated partially owned entity, the Kings Plaza energy plant joint venture, which became operational in March 2007.

Income Tax Expense of the Taxable REIT Subsidiary

Income tax expense of $502,000 in the quarter ended March 31, 2008 relates primarily to the interest income of our taxable REIT subsidiary.

Liquidity and Capital Resources

We anticipate that cash from operations, together with existing cash balances, will be adequate to fund our business operations, recurring capital expenditures, and debt amortization over the next twelve months.

Rego Park II Development Project

We own approximately 6.6 acres of land adjacent to our Rego Park I property in Queens, New York, which comprises the entire square block bounded by the Horace Harding Service Road (of the Long Island Expressway), 97th Street, 62nd Drive and Junction Boulevard. The development at Rego Park II consists of a 600,000 square foot shopping center on four levels and a parking deck containing approximately 1,400 spaces. Construction has commenced, is expected to be completed in 2009 and estimated to cost approximately $410,000,000, of which $189,185,000 has been expended as of March 31, 2008. The development may also include an apartment tower containing up to 315 apartments.

On December 21, 2007, we obtained a construction loan providing up to $350,000,000 to finance the construction of the shopping center. The loan bears interest at LIBOR plus 1.20% (4.30% at March 31, 2008) and has a three-year term, with a one-year extension option. As of March 31, 2008, we have drawn $81,661,000 under the construction loan, of which $25,875,000 was borrowed in the current year. The shopping center will be anchored by a 134,000 square foot Century 21 department store, a 138,000 square foot Home Depot and a 132,000 square foot Kohl s.

There can be no assurance that this project will be completed, completed on time, or completed for the budgeted amount.

Insurance

We carry commercial liability and all risk property insurance for (i) fire, (ii) flood, (iii) rental loss, (iv) extended coverage, and (v) acts of terrorism, as defined in the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007, which expires in 2014, with respect to our assets, with limits of (i) $965,000,000 per occurrence, including terrorist acts, as defined, for our 731 Lexington Avenue property, and (ii) $500,000,000 per occurrence, including terrorist acts, as defined, for our other properties. To the extent that we incur losses in excess of our insurance coverage, these losses would be borne by us and could be material.

Our debt instruments, consisting of mortgage loans secured by our properties (which are generally non-recourse to us), contain customary covenants requiring us to maintain insurance. Although we believe that we have adequate insurance coverage for the purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. Further, if lenders insist on greater coverage than we are able to obtain, it could adversely affect our ability to finance and/or refinance our properties.

Stock Appreciation Rights

As of March 31, 2008, 500,000 SARs were outstanding and exercisable. These SARs have a weighted average exercise price of $70.38 and are scheduled to expire on March 4, 2009. Since the SARs agreements require that they be settled in cash, we would have had to pay $142,062,000 if the holders of these SARs had exercised their SARs on March 31, 2008. Any change in our stock price from the closing price of $354.50 at

March 31, 2008, would increase or decrease the amount we would have to pay upon exercise.

Cash Flows

Rental income from our properties is our principal source of operating cash flow. Our property rental income is dependent on a number of factors including the occupancy level and rental rates of our properties, as well as our tenants ability to pay their rents. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay our operating expenses, non-development capital improvements and interest expense. Other sources of liquidity to fund our cash requirements include our existing cash, proceeds from debt financings, including mortgage or construction loans secured by our properties and proceeds from asset sales.

Three Months Ended March 31, 2008

Cash and cash equivalents were $576,530,000 at March 31, 2008, compared to $560,231,000 at December 31, 2007, an increase of $16,299,000. This increase resulted from $24,738,000 of net cash provided by operating activities and $22,331,000 of net cash provided by financing activities, offset by $30,770,000 of net cash used in investing activities.

Net cash provided by operating activities of $24,738,000 was comprised of (i) net income of $15,152,000, (ii) the net change in operating assets and liabilities of $6,041,000 and (iii) adjustments for non-cash items of $3,545,000. The adjustments for non-cash items were primarily comprised of depreciation and amortization of $6,263,000, partially offset by $3,076,000 for the straight-lining of rental income.

Net cash used in investing activities of $30,770,000 was primarily comprised of capital expenditures of $27,239,000, primarily related to the development of our Rego Park II project.

Net cash provided by financing activities of $22,331,000 was primarily comprised of $25,875,000 of borrowings under the construction loan to fund expenditures at our Rego Park II project, partially offset by repayments of borrowings of $3,685,000.

Three Months Ended March 31, 2007

Cash and cash equivalents were $557,926,000 at March 31, 2007, compared to $615,516,000 at December 31, 2006, a decrease of $57,590,000. This decrease resulted from $24,560,000 of net cash used operating activities, $29,655,000 of net cash used in investing activities and $3,375,000 of net cash used in financing activities.

Net cash used in operating activities of $24,560,000 was primarily comprised of (i) the net change in operating assets and liabilities of $43,806,000 and (ii) adjustments for non-cash items of $12,930,000, partially offset by, (iii) net income of $32,176,000. The net change in operating assets and liabilities was primarily comprised of a $50,465,000 payment for a portion of the liability for SARs. The adjustments for non-cash items were primarily comprised of a liability for SARs of $15,049,000 and straight-lining of rental income of $3,721,000, partially offset by depreciation and amortization of $6,171,000.

Net cash used in investing activities of $29,655,000 was primarily comprised of capital expenditures of $26,112,000, primarily related to the development of our Rego Park II project.

Net cash used in financing activities of $3,375,000 was primarily comprised of repayments of borrowings of $3,586,000.

Funds from Operations (FFO)

FFO is computed in accordance with the definition adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT). NAREIT defines FFO as net income or loss determined in accordance with Generally Accepted Accounting Principles (GAAP), excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

FFO and FFO per diluted share are used by management, investors and industry analysts as supplemental measures of operating performance of equity REITs. FFO and FFO per diluted share should be evaluated along with GAAP net income and income per diluted share (the most directly comparable GAAP measures), as well as cash flow from operating activities, investing activities and financing activities, in evaluating the operating performance of equity REITs. Management believes that FFO and FFO per diluted share are helpful to investors as supplemental performance measures because these measures exclude the effect of depreciation, amortization and gains or losses from sales of real estate, all of which are based on historical costs which implicitly assumes that the value of real estate diminishes predictably over time. Since real estate values instead have historically risen or fallen with market conditions, these non-GAAP measures can facilitate comparisons of operating performance between periods and among other equity REITs.

FFO does not represent cash generated from operating activities in accordance with GAAP and is not necessarily indicative of cash available to fund cash needs as disclosed in our Statements of Cash Flows. FFO 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.

FFO for the Quarters Ended March 31, 2008 and 2007

FFO for the quarter ended March 31, 2008 was $20,353,000, or $4.00 per diluted share, compared to $37,667,000, or $7.39 per diluted share, for the quarter ended March 31, 2007. FFO for the quarter ended March 31, 2008 includes $625,000, or $0.12 per diluted share, for an accrual of SARs compensation expense, compared to $14,311,000, or $2.81 per diluted share, for the reversal of a portion of previously recognized SARs expense in the quarter ended March 31, 2007.

The following table reconciles net income to FFO:

(Amounts in thousands, except share and per share amounts)	Three Months Ended March 31, 2008	2007
Net income	$15,152	$ 32,176
Depreciation and amortization of real property	5,201	5,491
FFO	$20,353	$ 37,667
FFO per diluted share	$4.00	$ 7.39
Weighted average shares used in computing diluted FFO per share	5,092,973	5,094,612

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. Our exposure to a change in interest rates is summarized in the table below.

(Amounts in thousands, except per share amounts)	**Balance as of March 31, 2008**	**Weighted-Average Interest Rate**	**Effect of 1% Change in Base Rates**
Variable	$81,661	4.30%	$817
Fixed Rate	1,050,726	5.80%	
	$1,132,387		$817
Total effect on diluted earnings per share			$0.16

The fair value of our debt, estimated by discounting the future contractual cash flows of our existing debt using the current rates available to borrowers with similar credit ratings for the remaining terms of such debt, exceeded the aggregate carrying amount by approximately $25,617,000 at March 31, 2008.

Item 4. Controls and Procedures

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

(b) Internal Control Over Financial Reporting There have not been any changes in our internal control over financial reporting during the fiscal quarter to which this Quarterly Report on Form 10-Q relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion, after consultation with our legal counsel, the outcome of such matters will not have a material effect on our financial condition, results of operations or cash flows.

Item 1A. Risk Factors

There have been no material changes in our Risk Factors as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits required by Item 601 of Regulation S-K are filed herewith and are listed in the attached Exhibit Index.

SIGNATURES

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

ALEXANDER S, INC.
(Registrant)

Date: May 5, 2008

By: /s/ Joseph Macnow
Joseph Macnow, Executive Vice President and
Chief Financial Officer (duly authorized officer and principal financial and accounting officer)

EXHIBIT INDEX

Exhibit No.				
3.1		-	Amended and Restated Certificate of Incorporation. Incorporated herein by reference from Exhibit 3.1 to the registrant s Registration Statement on Form S-3 filed on September 20, 1995	*
3.2		-	By-laws, as amended. Incorporated herein by reference from Exhibit 10.1 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2000	*
10.1		-	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 Annual Report on Form 10-K for the fiscal year ended July 25, 1992	*
10.2		-	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 Annual Report Form 10-K for the year ended December 31, 1994	*
10.3	**	-	Registrant s Omnibus Stock Plan, as amended, dated May 28, 1997. Incorporated herein by reference from Exhibit 10 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 1997, filed on August 13, 1997	*
10.4		-	Amended, Restated and Consolidated Mortgage and Security Agreement, dated May 12, 1999, between The Chase Manhattan Bank, as mortgagee, and Alexander s Rego Shopping Center Inc., as mortgagor. Incorporated herein by reference from Exhibit 10(i)(E) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, filed on August 8, 2000	*
10.5		-	Agreement of Lease dated as of April 30, 2001 between Seven Thirty One Limited Partnership, landlord, and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v) B to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 2, 2001	*
10.6		-	Amended and Restated Consolidated Mortgage and Security Agreement dated as of May 31, 2001 among Alexander s Kings Plaza LLC as mortgagor, Alexander s of King LLC as mortgagor and Kings Parking LLC as mortgagor, collectively borrower, to Morgan Guaranty Trust Company of New York, as mortgagee. Incorporated herein by reference from Exhibit 10(v) A1 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 2, 2001	*
10.7		-	Amended, Restated and Consolidated Promissory Note, dated as of May 31, 2001 by and between Alexander s Kings Plaza LLC, Alexander s of Kings LLC, and Kings Parking LLC collectively borrower, and Morgan Guaranty Trust Company of New York, lender. Incorporated herein by reference from Exhibit 10(v) A2 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 2, 2001	*
10.8		-	Cash Management Agreement dated as of May 31, 2001 by and between Alexander s Kings Plaza LLC, Alexander s of Kings LLC, and Kings Parking LLC collectively borrower, and Morgan Guaranty Trust Company of New York, lender. Incorporated herein by reference from Exhibit 10(v) A3 to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, filed on August 2, 2001	*

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* Incorporated by reference.

** Management contract or compensatory agreement

10.9	-	Note modification and Severance Agreement dated as of November 26, 2001, between Alexander s Kings Plaza LLC, Alexander s of Kings LLC, and Kings Parking LLC collectively borrower and JP Morgan Chase Bank of New York, lender. Incorporated herein by reference from Exhibit 10(v)(A)(4) to the registrant s Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 13, 2002	*
10.10	-	Loan Agreement dated as of October 2, 2001 by and between ALX of Paramus LLC as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(1) to the registrant s Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 13, 2002	*
10.11	-	Mortgage, Security Agreement and Fixture Financing Statement dated as of October 2, 2001 by and between ALX of Paramus LLC as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(2) to the registrant s Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 13, 2002	*
10.12	-	Environmental undertaking letter dated as of October 2, 2001 by and between ALX of Paramus LLC, as borrower, and SVENSKA HANDELSBANKEN AB (publ), as lender. Incorporated herein by reference from Exhibit 10(v)(C)(3) to the registrant s Annual Report on Form 10-K for the fiscal year ended December 31, 2001, filed on March 13, 2002	*
10.13	-	Lease dated as of October 2, 2001 by and between ALX of Paramus LLC, as Landlord, and IKEA Property, Inc. as Tenant. Incorporated herein by reference from Exhibit 10(v)(C)(4) to the registrant s Annual Report on Form 10-K for the year ended December 31, 2001, filed on March 13, 2002	*
10.14	-	First Amendment to Real Estate Retention Agreement, dated as of July 3, 2002, by and between Alexander s, Inc. and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10(i)(E)(3) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.15	-	59th Street Real Estate Retention Agreement, dated as of July 3, 2002, by and between Vornado Realty, L.P., 731 Residential LLC and 731 Commercial LLC. Incorporated herein by reference from Exhibit 10(i)(E)(4) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.16	-	Amended and Restated Management and Development Agreement, dated as of July 3, 2002, by and between Alexander s, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(1) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.17	-	Kings Plaza Management Agreement, dated as of May 31, 2001, by and between Alexander s Kings Plaza LLC and Vornado Management Corp. Incorporated herein by reference from Exhibit 10(i)(F)(3) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.18	-	Limited Liability Company Operating Agreement of 731 Residential LLC, dated as of July 3, 2002, among 731 Residential Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(1) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*

* Incorporated by reference.

10.19	-	Limited Liability Company Operating Agreement of 731 Commercial LLC, dated as of July 3, 2002, among 731 Commercial Holding LLC, as the sole member, Domenic A. Borriello, as an Independent Manager and Kim Lutthang, as an Independent Manager. Incorporated herein by reference from Exhibit 10(i)(A)(2) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.20	-	Reimbursement Agreement, dated as of July 3, 2002, by and between Alexander s, Inc., 731 Commercial LLC, 731 Residential LLC and Vornado Realty, L.P. Incorporated herein by reference from Exhibit 10(i)(C)(8) to the registrant s Quarterly Report on Form 10-Q for the quarter ended June 30, 2002, filed on August 7, 2002	*
10.21	-	First Amendment of Lease, dated as of April 19, 2002, between Seven Thirty One Limited Partnership, landlord and Bloomberg L.P., tenant. Incorporated herein by reference from Exhibit 10(v)(B)(2) to the registrant s Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2002, filed on August 7, 2002	*
10.22	-	Loan and Security Agreement, dated as of February 13, 2004, between 731 Office One LLC, as Borrower and German American Capital Corporation, as Lender. Incorporated herein by reference from Exhibit 10.20 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.23	-	Amended, Restated and Consolidated Mortgage, Security Agreement, Financing Statement and Assignment of Leases, Rent and Security Deposits by and between 731 Office One LLC as Borrower and German American Capital Corporation as Lender, dated as of February 13, 2004. Incorporated herein by reference from Exhibit 10.21 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.24	-	Amended, Restated and Consolidated Note, dated as of February 13, 2004, by 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.22 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.25	-	Assignment of Leases, Rents and Security Deposits from 731 Office One LLC to German American Capital Corporation, dated as of February 13, 2004. Incorporated herein by reference from Exhibit 10.23 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.26	-	Account and Control Agreement, dated as of February 13, 2004, by and among German American Capital Corporation as Lender, and 731 Office One LLC as Borrower, and JP Morgan Chase as Cash Management Bank. Incorporated herein by reference from Exhibit 10.24 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.27	-	Manager s Consent and Subordination of Management Agreement dated February 13, 2004 by 731 Office One LLC and Alexander s Management LLC and German American Capital Corporation. Incorporated herein by reference from Exhibit 10.25 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.28	-	Note Exchange Agreement dated as of February 13, 2004 by and between 731 Office One LLC and German American Capital Corporation. Incorporated herein by reference from Exhibit 10.26 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*

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* Incorporated by reference.

10.29		-	Promissory Note A-1 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.27 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.30		-	Promissory Note A-2 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.28 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.31		-	Promissory Note A-3 dated as of February 13, 2004 and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.29 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.32		-	Promissory Note A-4 dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.30 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.33		-	Promissory Note A-X dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.31 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.34		-	Promissory Note B dated as of February 13, 2004, and 731 Office One LLC in favor of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.32 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.35		-	Guaranty of Recourse Obligations dated as of February 13, 2004, by Alexander s, Inc. to and for the benefit of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.33 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.36		-	Environmental Indemnity dated as of February 13, 2004, by Alexander s, Inc. and 731 Office One LLC for the benefit of German American Capital Corporation. Incorporated herein by reference from Exhibit 10.34 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2003, filed on March 2, 2004	*
10.37		-	Loan Agreement dated as of July 6, 2005, between 731 Retail One LLC, as Borrower and Archon Financial, as Lender. Incorporated herein by reference from Exhibit 10.1 to the registrant s Current Report on Form 8-K, filed on July 12, 2005	*
10.38	**	-	Form of Stock Option Agreement between the Company and certain employees. Incorporated herein by reference from Exhibit 10.61 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on October 27, 2005	*
10.39	**	-	Form of Restricted Stock Option Agreement between the Company and certain employees. Incorporated herein by reference from Exhibit 10.62 to the registrant s Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on October 27, 2005	*
10.40	**	-	Stock Appreciation Right Agreement dated as of January 10, 2006, between Michael D. Fascitelli and Alexander s Inc. Incorporated herein by reference from Exhibit 10.1 to the registrant s Current Report on Form 8-K for January 10, 2006, filed on January 12, 2006	*

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* Incorporated by reference.

** Management contract or compensatory agreement

10.41	**	-	Registrant s 2006 Omnibus Stock Plan dated April 4, 2006. Incorporated herein by reference from Annex B to Schedule 14A, filed by the registrant on April 28, 2006	*
10.42		-	Second Amendment to Real Estate Retention Agreement, dated as of January 1, 2007, by and between Alexander s, Inc. and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.64 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 26, 2007	*
10.43		-	Amendment to 59th Street Real Estate Retention agreement, dated as of January 1, 2007, by and among Vornado Realty L.P., 731 Retail One LLC, 731 Restaurant LLC, 731 Office One LLC and 731 Office Two LLC. Incorporated herein by reference from Exhibit 10.65 to the registrant s Annual Report on Form 10-K for the year ended December 31, 2006, filed on February 26, 2007	*
10.44		-	Building Loan Agreement, dated as of December 21, 2007, among Alexander s of Rego Park II, Inc., as Borrower, PB Capital Corporation, as Lender, Norddeutsche Landesbank Girozentrale, New York Branch, as Lender, Wells Fargo Bank, National Association, as Lender, Landesbank Baden-Wurttemberg, New York Branch, as Lender, Bank of Ireland, Connecticut Branch, as Lender, PB Capital Corporation, as Administrative Agent, PB Capital Corporation and Norddeutsche Landesbank Girozentrale, New York Branch, as Co-Arrangers. Incorporated herein by reference from Exhibit 10.1 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.45		-	Project Loan Agreement, dated as of December 21, 2007, among Alexander s of Rego Park II, Inc., as Borrower, PB Capital Corporation, as Lender, Norddeutsche Landesbank Girozentrale, New York Branch, as Lender, Wells Fargo Bank, National Association, as Lender, Landesbank Baden-Wurttemberg, New York Branch, as Lender, Bank of Ireland, Connecticut Branch, as Lender, PB Capital Corporation, as Administrative Agent, PB Capital Corporation and Norddeutsche Landesbank Girozentrale, New York Branch, as Co-Arrangers. Incorporated herein by reference from Exhibit 10.2 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.46		-	Series I Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December 21, 2007, from Alexander s of Rego Park II, Inc., as Mortgagor, to PB Capital Corporation, as Administrative Agent for the Lenders. Incorporated herein by reference from Exhibit 10.3 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.47		-	Series II Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December 21, 2007, from Alexander s of Rego Park II, Inc., as Mortgagor, to PB Capital Corporation, as Administrative Agent for the Lenders. Incorporated herein by reference from Exhibit 10.4 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.48		-	Series I Project Loan Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December 21, 2007, from Alexander s of Rego Park II, Inc., as Mortgagor, to PB Capital Corporation, as Administrative Agent for the Lenders. Incorporated herein by reference from Exhibit 10.5 to the registrants Current Report on Form 8-K, filed on December 31, 2007	*
10.49		-	Series II Project Loan Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of December 21, 2007, from Alexander s of Rego Park II, Inc., as Mortgagor, to PB Capital Corporation, as Administrative Agent for the Lenders. Incorporated herein by reference from Exhibit 10.6 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*

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* Incorporated by reference.

** Management contract or compensatory agreement

10.50	-	Guaranty of Completion, dated as of December 21, 2007, executed by Alexander s, Inc. for the benefit of PB Capital Corporation, as Administrative Agent for itself and the other Lenders Incorporated herein by reference from Exhibit 10.7 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.51	-	Guaranty of Payment, dated as of December 21, 2007, executed by Alexander s, Inc. for the benefit of PB Capital Corporation, as Administrative Agent for itself and the other Lenders. Incorporated herein by reference from Exhibit 10.8 to the registrant s Current Report on Form 8-K, filed on December 28, 2007	*
10.52	-	First Amendment to Amended and Restated Management and Development Agreement, dated as of July 6, 2005, by and between Alexander s, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.52 to the registrant s Annual Report on Form 10-K, filed on February 25, 2008.	*
10.53	-	Second Amendment to Amended and Restated Management and Development Agreement, dated as of December 20, 2007, by and between Alexander s, Inc., the subsidiaries party thereto and Vornado Management Corp. Incorporated herein by reference from Exhibit 10.53 to the registrant s Annual Report on Form 10-K, filed on February 25, 2008	*
10.54	-	Rego II Management and Development Agreement, dated as of December 20, 2007, by and between Alexander s of Rego Park II, Inc., and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.54 to the registrant s Annual Report on Form 10-K, filed on February 25, 2008	*
10.55	-	Third Amendment to Real Estate Retention Agreement, dated as of December 20, 2007, by and between Alexander s, Inc., and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.55 to the registrant s Annual Report on Form 10-K, filed on February 25, 2008	*
10.56	-	Rego II Real Estate Retention Agreement, dated as of December 20, 2007, by and between Alexander s, Inc., and Vornado Realty L.P. Incorporated herein by reference from Exhibit 10.56 to the registrant s Annual Report on Form 10-K, filed on February 25, 2008	*
15.1	-	Letter regarding unaudited interim financial information	
31.1	-	Rule 13a-14 (a) Certification of the Chief Executive Officer	
31.2	-	Rule 13a-14 (a) Certification of the Chief Financial Officer	
32.1	-	Section 1350 Certification of the Chief Executive Officer	
32.2	-	Section 1350 Certification of the Chief Financial Officer	

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* Incorporated by reference.