ALEXANDERS INC
Form 10-Q
August 04, 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: **June 30, 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 June 30, 2008, there were 5,066,940 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)

	June 30, 2008	December 31, 2007
ASSETS		
Real estate, at cost:		
Land	$ 74,921	$ 69,455
Buildings, leaseholds and leasehold improvements	595,277	593,818
Construction in progress	228,793	171,808
Total	898,991	835,081
Accumulated depreciation and amortization	(104,763)	(96,183)
Real estate, net	794,228	738,898
Cash and cash equivalents	590,036	560,231
Restricted cash	5,459	4,987
Accounts receivable, net of allowance for doubtful accounts of $863 and $667, respectively	3,386	6,217
Receivable arising from the straight-lining of rents	136,069	130,483
Deferred lease and other property costs, net (including unamortized leasing fees to Vornado of $40,508 and $41,988, respectively)	63,791	66,243
Deferred debt issuance costs, net of accumulated amortization of $11,791 and $10,468	14,229	15,553
Other assets	10,047	9,798
TOTAL ASSETS	$ 1,617,245	$ 1,532,410
LIABILITIES AND STOCKHOLDERS EQUITY		
Debt	$ 1,158,715	$ 1,110,197
Accounts payable and accrued expenses	55,961	55,655
Liability for stock appreciation rights	120,112	141,437
Amounts due to Vornado	42,376	40,561
Liability for income taxes and other	48,387	47,134
TOTAL LIABILITIES	1,425,551	1,394,984
MINORITY INTEREST	1,368	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, 5,066,940 shares and 5,043,950 shares, respectively	5,173	5,173
Additional paid-in capital	29,126	27,636
Retained earnings	156,620	103,014
	190,919	135,823
Treasury shares: 106,510 and 129,500 shares, at cost	(593)	(720)
Total stockholders equity	190,326	135,103
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	$ 1,617,245	$ 1,532,410

See notes to consolidated financial statements (unaudited).

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ALEXANDER S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

(Amounts in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
REVENUES				
Property rentals	$ 35,413	$ 35,222	$ 71,446	$ 70,096
Expense reimbursements	16,065	15,847	31,798	33,169
Total revenues	51,478	51,069	103,244	103,265
EXPENSES				
Operating (including fees to Vornado of $1,196, $1,394, $2,399 and $2,600, respectively)	17,371	17,122	35,038	35,047
General and administrative (including a reversal of stock appreciation rights (SARs) expense of $21,950 and $3,725 in each three-month period, respectively, and $21,325 and $18,036 in each six-month period, respectively, and management fees to Vornado of $540 and $1,080 in each three and six month period)	(20,519)	(2,054)	(18,673)	(14,713)
Depreciation and amortization	5,608	5,666	11,209	11,175
Total expenses	2,460	20,734	27,574	31,509
OPERATING INCOME	49,018	30,335	75,670	71,756
Interest and other income, net	5,607	7,055	10,023	14,117
Interest and debt expense	(15,562)	(16,507)	(31,243)	(33,145)
Minority interest of partially owned entity	13	(168)	280	163
Income before income taxes	39,076	20,715	54,730	52,891
Income tax expense of the taxable REIT subsidiary	(622)	(1,106)	(1,124)	(1,106)
NET INCOME	$ 38,454	$ 19,609	$ 53,606	$ 51,785
Net income per common share - basic	$ 7.59	$ 3.89	$ 10.61	$ 10.28
Net income per common share - diluted	$ 7.54	$ 3.85	$ 10.52	$ 10.16

See notes to consolidated financial statements (unaudited).

ALEXANDER S, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Amounts in thousands)

	Six Months Ended June 30,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2008**	**2007**
Net income	$ 53,606	$ 51,785
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Reversal of previously recognized stock appreciation rights compensation expense	(21,325)	(18,774)
Depreciation and amortization (including amortization of debt issuance costs)	12,533	12,499
Straight-lining of rental income	(5,586)	(7,657)
Net gain on sale of real estate tax abatement certificates	(1,872)	
Minority interest of partially owned entity	(280)	(163)
Change in operating assets and liabilities:		
Accounts receivable, net	2,831	585
Other assets	(1,540)	92
Accounts payable and accrued expenses	(1,950)	(2,109)
Amounts due to Vornado	1,815	2,632
Payment for stock appreciation rights		(50,465)
Income tax liability of taxable REIT subsidiary	1,277	1,852
Other liabilities	(24)	(19)
Net cash provided by (used in) operating activities	39,485	(9,742)
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress and real estate additions	(61,654)	(56,475)
Restricted cash	(472)	(629)
Proceeds from the sale of real estate tax abatement certificates	2,986	
Net cash used in investing activities	(59,140)	(57,104)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	55,831	
Debt repayments	(7,313)	(6,995)
Distributions to minority partner	(675)	
Exercise of share options	1,617	457
Net cash provided by (used in) financing activities	49,460	(6,538)
Net increase (decrease) in cash and cash equivalents	29,805	(73,384)
Cash and cash equivalents at beginning of period	560,231	615,516
Cash and cash equivalents at end of period	$ 590,036	$ 542,132
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest (of which $4,877 and $1,579 have been capitalized)	$ 33,721	$ 32,377
Cash payments for income taxes	$ 1,820	$ 480

See notes to consolidated financial statements (unaudited).

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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 June 30, 2008, the consolidated statements of operations for the three months and six months ended June 30, 2008 and 2007, and the consolidated statements of cash flows for the six months ended June 30, 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 (SEC). The results of operations for the three and six months ended June 30, 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. Restatement for Immaterial Adjustment of Second Quarter 2007 Operating Expenses and Reimbursements

Subsequent to the issuance of our consolidated financial statements for the quarter ended June 30, 2007, we determined that our consolidated statement of operations for the three and six months ended June 30, 2007, included $3,072,000 of intercompany revenues (expense reimbursements) and $3,072,000 of intercompany operating expenses that should have been eliminated in the consolidation of our Kings Plaza joint venture. There was no impact on operating income or net income for the three and six months ended June 30, 2007, as a result of not

eliminating these amounts. The Kings Plaza joint venture became operational at the end of March 2007, and as such, no other prior periods were affected. We corrected this error in the consolidated statement of operations during the third quarter of 2007. Although we concluded that the elimination entry not made was immaterial to our consolidated financial statements for the three and six months ended June 30, 2007, we have adjusted the prior year s amounts to reflect this elimination in this Quarterly Report on Form 10-Q.

($ in thousands)	**Three Months Ended June 30, 2007**		**Six Months Ended June 30, 2007**	
	As Reported	**As Adjusted**	**As Reported**	**As Adjusted**
Expense reimbursements	18,919	15,847	36,241	33,169
Total revenues	54,141	51,069	106,337	103,265
Operating expenses	20,194	17,122	38,119	35,047
Total expenses	23,806	20,734	34,581	31,509

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

4. 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 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 it 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 enhances required disclosures regarding derivative instruments and hedging activities, including enhanced disclosures regarding how an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and the impact of derivative instruments and related hedged items on an entity s financial position, financial performance and cash flows. SFAS No. 161 is effective on January 1, 2009. We believe that the adoption of this standard on January 1, 2009, will not have a material effect on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. The purpose of this statement is to improve financial reporting by providing a consistent framework for determining applicable accounting principles to be used in the preparation of financial statements presented in conformity with accounting principles generally accepted in the United States of America. SFAS No. 162 will become effective 60 days after the SEC s approval. We believe that the adoption of this standard on its effective date will not have a material effect on our consolidated financial statements.

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ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

5. Relationship with Vornado

At June 30, 2008, Vornado owned 32.6% 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) $234,000, 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 6) is estimated to be approximately $17,500,000, of which $2,246,000 has been paid as of June 30, 2008. The balance is due on substantial completion of the construction.

Leasing Agreements

Vornado 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 June 30, 2008).

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 June 30,**		**Six Months Ended June 30,**	
	2008	**2007**	**2008**	**2007**
Company management fees	$ 750	$ 750	$ 1,500	$ 1,500

Development fees	1,887	1,838	3,150	2,576
Leasing fees	471	1,050	1,104	2,745
Property management fees and payments for cleaning, engineering and security services	986	1,184	1,979	2,180
	$ 4,094	$ 4,822	$ 7,733	$ 9,001

At June 30, 2008, we owed Vornado $32,491,000 for leasing fees, $8,497,000 for the earned portion of the Rego II development fee discussed above, and $1,388,000 for management, property management and cleaning fees.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

6. 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 is expected to be completed in 2009 and estimated to cost approximately $410,000,000, of which $225,700,000 has been expended as of June 30, 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.

7. Debt

The following is a summary of our outstanding debt.

(Amounts in thousands)	**Maturity**	**Interest Rate at June 30, 2008**	**Balance at June 30, 2008**	**December 31, 2007**
Fixed Rate:				
First mortgage, secured by the office space at the Lexington Avenue property	Feb. 2014	5.33%	$ 378,721	$ 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%	201,533	203,456
First mortgage, secured by the Rego Park I Shopping Center	Jun. 2009	7.25%	78,844	79,285
First mortgage, secured by the Paramus property	Oct. 2011	5.92%	68,000	68,000
Variable Rate:				
$350,000 construction loan, secured by the Rego Park II Shopping Center	Dec. 2010	3.66%(2)	111,617	55,786
			$ 1,158,715	$ 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 matures on December 20, 2010, with a one-year extension option.

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, was less than its carrying amount by approximately $7,242,000 at June 30, 2008.

8. FIN 48 Income Tax Liability

As of June 30, 2008 and December 31, 2007, with respect to our taxable REIT subsidiary, we had $47,396,000 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 $8,790,000 and $7,513,000, of accrued interest as of June 30, 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 statements of operations. The three months ended June 30, 2008 and 2007 includes $643,000 and $607,000, respectively, and the six months ended June 30, 2008 and 2007, includes $1,277,000 and $1,226,000, 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 June 30, 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.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

9. 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. At June 30, 2008, 500,000 SARs were outstanding and exercisable. In the three and six months ended June 30, 2008, we reversed $21,950,000 and $21,325,000, respectively, of previously recognized expense, based on our closing stock price of $310.60 at June 30, 2008 (compared to $354.50 at March 31, 2008 and $353.25 at December 31, 2007). In the three and six months ended June 30, 2007, we reversed $3,725,000 and $18,036,000, respectively, of previously recognized expense, based on our closing stock price of $404.25 at June 29, 2007 (compared to $411.70 at March 30, 2007 and $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.

10. Commitments and Contingencies

Insurance

We carry commercial liability with limits of $200,000,000 per location 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, with respect to our assets, with limits of $1.7 billion per occurrence, including terrorist acts, as defined, for all of our 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. We have paid $500,000 of such amount and the remainder is covered under our insurance policy.

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. Accordingly, we have not recorded a loss contingency for this matter.

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.

ALEXANDER S, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(UNAUDITED)

10. Commitments and Contingencies (continued)

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 June 30, 2008.

11. 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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(Amounts in thousands, except share and per share amounts)	2008	2007	2008	2007
Net income applicable to common stockholders basic and diluted	$ 38,454	$ 19,609	$ 53,606	$ 51,785
Weighted average shares outstanding basic	5,064,642	5,040,417	5,054,658	5,039,494
Dilutive effect of stock options	33,080	54,128	40,745	55,083
Weighted average shares outstanding diluted	5,097,722	5,094,545	5,095,403	5,094,577
Net income per common share - basic	$ 7.59	$ 3.89	$ 10.61	$ 10.28
Net income per common share - diluted	$ 7.54	$ 3.85	$ 10.52	$ 10.16

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 June 30, 2008, and the related consolidated statements of operations for the three-month and six-month periods ended June 30, 2008 and 2007 and cash flows for the six-month periods ended June 30, 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

August 4, 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 and six months ended June 30, 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. Management s discussion and analysis gives effect to the restatement discussed in Note 3 to the accompanying consolidated financial statements.

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 sub-prime mortgages, declining residential home values and increasing inventory nationwide. This credit crisis spread to the broader commercial credit markets and has reduced the availability of financing and widened spreads. These factors, coupled with a slowing economy, have reduced the volume of real estate transactions and increased capitalization rates. If these conditions continue, our real estate portfolio may experience lower occupancy and effective rents, which would result in a corresponding decrease in net income, funds from operations and cash flows.

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. At June 30, 2008, 500,000 SARs were outstanding and exercisable. In the three and six months ended June 30, 2008, we reversed $21,950,000 and $21,325,000, respectively, of previously recognized expense, based on our closing stock price of $310.60 at June 30, 2008 (compared to $354.50 at March 31, 2008 and $353.25 at December 31, 2007). In the three and six months ended June 30, 2007, we reversed $3,725,000 and $18,036,000, respectively, of previously recognized expense, based on our closing stock price of $404.25 at June 29, 2007 (compared to $411.70 at March 30, 2007 and $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 it 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 enhances required disclosures regarding derivative instruments and hedging activities, including enhanced disclosures regarding how an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and the impact of derivative instruments and related hedged items on an entity s financial position, financial performance and cash flows. SFAS No. 161 is effective on January 1, 2009. We believe that the adoption of this standard on January 1, 2009, will not have a material effect on our consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. The purpose of this statement is to improve financial reporting by providing a consistent framework for determining applicable accounting principles to be used in the preparation of financial statements presented in conformity with accounting principles generally accepted in the United States of America. SFAS No. 162 will become effective 60 days after the SEC s approval. We believe that the adoption of this standard on its effective date will not have a material effect on our consolidated financial statements.

Significant Tenants

Bloomberg L.P. accounted for approximately 31% and 30% of our consolidated revenues in each of the three-month periods ended June 30, 2008 and 2007, respectively, and 32% and 31% of our consolidated revenue in each of the six-month periods ended June 30, 2008 and 2007, respectively. No other tenant accounted for more than 10% of our consolidated revenues.

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Results of Operations for the Three Months Ended June 30, 2008 and 2007

Net income for the quarter ended June 30, 2008 was $38,454,000, compared to $19,609,000 for the quarter ended June 30, 2007. Net income for the quarter ended June 30, 2008 includes $21,950,000 for the reversal of a portion of previously recognized SARs compensation expense, compared to $3,725,000 for such reversal in the quarter ended June 30, 2007.

Property Rentals

Property rentals were $35,413,000 in the quarter ended June 30, 2008, compared to $35,222,000 in the prior year s quarter, an increase of $191,000.

Expense Reimbursements

Tenant expense reimbursements were $16,065,000 in the quarter ended June 30, 2008, compared to $15,847,000 in the prior year s quarter, an increase of $218,000. This increase was primarily due to higher operating costs at the Kings Plaza energy plant.

Operating Expenses

Operating expenses were $17,371,000 in the quarter ended June 30, 2008, compared to $17,122,000 in the prior year s quarter, an increase of $249,000. This increase was primarily due to higher operating costs at the Kings Plaza energy plant.

General and Administrative Expenses

Excluding $21,950,000 and $3,725,000 for the reversal of a portion of previously recognized SARs compensation expense in the quarters ended June 30, 2008 and 2007, respectively, general and administrative expenses decreased by $240,000 from the prior year s quarter. This decrease resulted primarily from costs associated with the ground-breaking at Rego Park II in the prior year s quarter.

Interest and Other Income, net

Interest and other income, net, was $5,607,000 in the quarter ended June 30, 2008, compared to $7,055,000 in the prior year s quarter, a decrease of $1,448,000. This decrease was comprised of $3,523,000 from lower average yields on investments of approximately 2.47%, from 4.72% in the quarter ended June 30, 2007 to 2.25% in the quarter ended June 30, 2008, partially offset by $1,872,000 for the net gain on the sale of real estate tax abatement certificates.

Interest and Debt Expense

Interest and debt expense was $15,562,000 in the quarter ended June 30, 2008, compared to $16,507,000 in the prior year s quarter, a decrease of $945,000. This decrease was primarily due to higher capitalized interest relating to our Rego 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 income or loss in our consolidated partially owned entity, the Kings Plaza energy plant joint venture.

Income Tax Expense of the Taxable REIT Subsidiary

Income tax expense was $622,000 in the quarter ended June 30, 2008, compared to $1,106,000 in the quarter ended June 30, 2007, a decrease of $484,000. This decrease resulted primarily from lower interest income at our taxable REIT subsidiary.

Results of Operations for the Six Months Ended June 30, 2008 and 2007

Net income for the six months ended June 30, 2008 was $53,606,000, compared to $51,785,000 for the six months ended June 30, 2007. Net income for the six months ended June 30, 2008 includes $21,325,000 for the reversal of a portion of previously recognized SARs compensation expense, compared to $18,036,000 for such reversal in the six months ended June 30, 2007.

Property Rentals

Property rentals were $71,446,000 in the six months ended June 30, 2008, compared to $70,096,000 in the prior year s six months, an increase of $1,350,000. 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 $31,798,000 in the six months ended June 30, 2008, compared to $33,169,000 in the prior year s six months, a decrease of $1,371,000. This decrease was primarily due to a true-up in billings for operating expense reimbursements.

Operating Expenses

Operating expenses were $35,038,000 in the six months ended June 30, 2008, compared to $35,047,000 in the prior year s six months, a decrease of $9,000.

General and Administrative Expenses

Excluding $21,325,000 and $18,036,000 for the reversal of a portion of previously recognized SARs compensation expense in the six months ended June 30, 2008 and 2007, respectively, general and administrative expenses decreased by $671,000 from the prior year s six months. This decrease resulted primarily from organization costs incurred in connection with forming the Kings Plaza energy plant joint venture and ground-breaking costs at Rego Park II that were incurred in the prior year s six months.

Interest and Other Income, net

Interest and other income, net was $10,023,000 in the six months ended June 30, 2008, compared to $14,117,000 in the prior year s six months, a decrease of $4,094,000. This decrease was comprised of $6,020,000 from lower average yields on investments of approximately 2.11%, from 4.85% in the six months ended June 30, 2007 to 2.74% in the six months ended June 30, 2008, partially offset by $1,872,000 for the net gain on the sale of real estate tax abatement certificates.

Interest and Debt Expense

Interest and debt expense was $31,243,000 in the six months ended June 30, 2008, compared to $33,145,000 in the prior year s six months, a decrease of $1,902,000. This decrease was primarily due to higher capitalized interest in the current year s six months 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 was $1,124,000 in the six months ended June 30, 2008, compared to $1,106,000 in the six months ended June 30, 2007, an increase of $18,000.

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 is expected to be completed in 2009 and estimated to cost approximately $410,000,000, of which $225,700,000 has been expended as of June 30, 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% (3.66% at June 30, 2008) and has a three-year term, with a one-year extension option. As of June 30, 2008, we have drawn $111,617,000 under the construction loan, of which $55,831,000 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 with limits of $200,000,000 per location 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, with respect to our assets, with limits of $1.7 billion per occurrence, including terrorist acts, as defined, for all of our 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 June 30, 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 $120,112,000 if the holders of these SARs had exercised their SARs on June 30, 2008. Any change in our stock price from the closing price of $310.60 at June 30, 2008, would increase or decrease the amount we would have to pay upon exercise.

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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.

Six Months Ended June 30, 2008

Cash and cash equivalents were $590,036,000 at June 30, 2008, compared to $560,231,000 at December 31, 2007, an increase of $29,805,000. This increase resulted from $39,485,000 of net cash provided by operating activities and $49,460,000 of net cash provided by financing activities, offset by $59,140,000 of net cash used in investing activities.

Net cash provided by operating activities of $39,485,000 was comprised of (i) net income of $53,606,000 and (ii) the net change in operating assets and liabilities of $2,409,000, partially offset by (iii) adjustments for non-cash items of $16,530,000. The adjustments for non-cash items were primarily comprised of (a) a $21,325,000 reversal of previously recognized stock appreciation rights compensation expense, (b) $5,586,000 for the straight-lining of rental income and (c) a net gain on the sale of real estate tax abatement certificates of $1,872,000, partially offset by (d) depreciation and amortization of $12,533,000.

Net cash used in investing activities of $59,140,000 was primarily comprised of capital expenditures of $61,654,000, primarily related to the development of our Rego Park II project, partially offset by proceeds from the sale of real estate tax abatement certificates of $2,986,000.

Net cash provided by financing activities of $49,460,000 was primarily comprised of $55,831,000 of borrowings under the construction loan to fund expenditures at our Rego Park II project and the exercise of share options of $1,617,000, partially offset by repayments of borrowings of $7,313,000.

Six Months Ended June 30, 2007

Cash and cash equivalents were $542,132,000 at June 30, 2007, compared to $615,516,000 at December 31, 2006, a decrease of $73,384,000. This decrease resulted from $9,742,000 of net cash used in operating activities, $57,104,000 of net cash used in investing activities and $6,538,000 of net cash used in financing activities.

Net cash used in operating activities of $9,742,000 was primarily comprised of (i) the net change in operating assets and liabilities of $47,432,000 and (ii) adjustments for non-cash items of $14,095,000, partially offset by, (iii) net income of $51,785,000. 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 $18,774,000 and straight-lining of rental income of $7,657,000, partially offset by depreciation and amortization of $12,499,000.

Net cash used in investing activities of $57,104,000 was primarily comprised of capital expenditures of $56,475,000, primarily related to the development of our Rego Park II project.

Net cash used in financing activities of $6,538,000 was primarily comprised of repayments of borrowings of $6,995,000.

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 and Six Months Ended June 30, 2008 and 2007

FFO for the quarter ended June 30, 2008 was $44,264,000, or $8.68 per diluted share, compared to $25,257,000, or $4.96 per diluted share, for the quarter ended June 30, 2007. FFO for the quarter ended June 30, 2008 includes $21,950,000, or $4.31 per diluted share, for the reversal of a portion of previously recognized SARs compensation expense, compared to $3,725,000, or $0.73 per diluted share, for such reversal in the quarter ended June 30, 2007.

FFO for the six months ended June 30, 2008 was $64,617,000, or $12.68 per diluted share, compared to $62,924,000, or $12.35 per diluted share, for the six months ended June 30, 2007. FFO for the six months ended June 30, 2008 includes $21,325,000, or $4.19 per diluted share, for the reversal of previously recognized SARs compensation expense, compared to $18,036,000, or $3.54 per diluted share, for such reversal in the six months ended June 30, 2007.

The following table reconciles net income to FFO:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
(Amounts in thousands, except share and per share amounts)	**2008**	**2007**	**2008**	**2007**
Net income	$ 38,454	$ 19,609	$ 53,606	$ 51,785
Depreciation and amortization of real property	5,810	5,648	11,011	11,139
FFO	$ 44,264	$ 25,257	$ 64,617	$ 62,924

FFO per diluted share	$ 8.68	$ 4.96	$ 12.68	$ 12.35
Weighted average shares used in computing diluted FFO per share	5,097,722	5,094,545	5,095,403	5,094,577

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 June 30, 2008	Weighted-Average Interest Rate	Effect of 1% Change in Base Rates
Variable Rate (including amounts due to Vornado)	$153,993	4.08%	$1,154
Fixed Rate	1,047,098	5.80%	
	$1,201,091		$1,154
Total effect on diluted earnings per share			$0.23

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, was less than its carrying amount by approximately $7,242,000 at June 30, 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

On May 15, 2008, we held our Annual Meeting of Stockholders. Two proposals were presented for approval. The results of the voting are shown below:

(i) The election of three nominees to serve on the Board of Directors for a term of three years or until their respective successors are duly elected and qualified.

	Votes Cast	
Nominees	For	Votes Withheld
Steven Roth	4,131,838	829,362
Neil Underberg	4,105,296	855,904
Russell B. Wight, Jr.	4,927,925	33,275

In addition to the three nominees elected above, Michael Fascitelli, David Mandelbaum, Thomas R. DiBenedetto, Arthur I. Sonnenblick and Dr. Richard R. West continue to serve as Directors after the meeting.

Because of the nature of the election of the Board of Directors, there were no abstentions or broker non-votes.

(ii) The ratification of the appointment of Deloitte & Touche LLP as our independent auditors.

Votes Cast	Votes Cast	
For	Against	Abstentions
4,960,026	1,146	28

Because of the nature of the ratification of our independent auditors, there were no broker non-votes.

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.

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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: August 4, 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 Kings 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	*

* 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 *

* 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

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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	*

* 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

* Incorporated by reference.