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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: SEPTEMBER 30, 1995

or

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

For the transition period from ----- to -----

Commission File Number: 1-6064

ALEXANDER'S, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

51-0100517

(State or other jurisdiction of incorporation
or organization)

(I.R.S. Employer
Identification Number)

PARK 80 WEST, PLAZA II, SADDLE BROOK, NEW JERSEY

07663

(Address of principal executive offices)

(Zip Code)

(201) 587-8541

(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all
reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90
days.

[X] Yes [] No

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

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

[] Yes [] No

As of November 2, 1995 there were 5,000,850 common shares outstanding.

ALEXANDER'S, INC.

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PART I. FINANCIAL INFORMATION

**ALEXANDER'S, INC.
AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS EXCEPT SHARE AMOUNTS)

	SEPTEMBER 30, 1995	DECEMBER 31, 1994
	-----	-----
ASSETS:		
Real estate, at cost:		
Land	\$ 46,082	\$ 26,460
Buildings leaseholds, and leasehold improvements (including \$16,356 of construction in progress at September 30, 1995)	82,823	59,851
Capitalized expenses and predevelopment costs	35,615	27,213
	-----	-----
Total	164,520	113,524
Less accumulated depreciation and amortization	(37,437)	(36,365)
	-----	-----
Investment in unconsolidated joint venture	127,083	77,159
	10,594	7,499
	-----	-----
Real estate, net	137,677	84,658
Cash and cash equivalents	11,760	2,363
Restricted cash	20,782	-
Accounts receivable, net of allowance for doubtful accounts of \$147 in 1995	409	43
Receivable arising from the straight-lining of rents	4,035	2,888
Deferred lease and other expenses	10,103	11,561
Deferred debt expense	5,126	2,642
Other assets	2,510	714
Note receivable	-	4,550
	-----	-----
TOTAL ASSETS	\$192,402	\$109,419
	=====	=====
LIABILITIES AND DEFICIENCY IN NET ASSETS:		
Continuing Operations:		

Secured debt	\$173,613	\$ 51,654
Amounts due to Vornado Realty Trust and its affiliate	9,129	12,342
Taxes payable and accrued liabilities	10,647	9,067
Minority interest	600	1,574
Unsecured debt	-	1,188
	-----	-----
Total continuing operations	193,989	75,825

Discontinued Retail Operations:	-----	-----

Liability for discontinued postretirement healthcare benefits	15,756	15,882
Taxes payable and accrued liabilities	2,325	2,613
Liabilities subject to settlement under reorganization proceedings	8,535	36,672
	-----	-----
Total discontinued retail operations	26,616	55,167
	-----	-----
 TOTAL LIABILITIES	 220,605	 130,992
	-----	-----
 Commitments and contingencies		
Deficiency in Net Assets:		

Common stock; \$1.00 par value per share; authorized, 10,000,000 shares; issued 5,173,450	5,174	5,174
Additional capital	24,843	24,843
Deficit	(57,260)	(50,630)
	-----	-----
	(27,243)	(20,613)
Less treasury shares, 172,600 shares at cost	(960)	(960)
	-----	-----
Total deficiency in net assets	(28,203)	(21,573)
	-----	-----
 TOTAL LIABILITIES AND DEFICIENCY IN NET ASSETS	 \$192,402	 \$109,419
	=====	=====

See notes to consolidated financial statements.

**ALEXANDER'S, INC.
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF OPERATIONS

(amounts in thousands except share amounts)

	FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS ENDED	
	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994
Revenues:				
Property rentals	\$ 2,179	\$ 2,179	\$ 6,557	\$ 6,557
Expense reimbursements	169	254	764	825
Equity in income of unconsolidated joint venture	1,270	641	2,131	1,164
Parking lot income	256	242	664	756
Total Revenues	3,874	3,316	10,116	9,302
Expenses:				
Operating, general and administrative (including management fee of \$750 and \$1,750 to Vornado in 1995)	1,640	1,222	5,683	3,492
Depreciation and amortization	460	453	1,393	1,367
Reorganization costs	-	232	1,938	1,375
Total expenses	2,100	1,907	9,014	6,234
Operating income	1,774	1,409	1,102	3,068
Interest and debt expense (including interest on loan from Vornado in 1995)	(3,986)	(673)	(10,208)	(1,893)
Interest and other income, net	286	21	1,070	157
Gain on sale of real estate	-	-	-	161
(Loss)/income before reversal of deferred taxes	(1,926)	757	(8,036)	1,493
Reversal of deferred taxes	-	-	1,406	-
NET (LOSS)/INCOME	\$ (1,926)	\$ 757	\$ (6,630)	\$ 1,493
Net (Loss)/Income Per Share	\$ (.39)	\$.15	\$ (1.33)	\$.30
Weighted average number of common shares outstanding during period	5,000,850	5,000,850	5,000,850	5,000,850

See notes to consolidated financial statements.

**ALEXANDER'S, INC.
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CONSOLIDATED STATEMENTS OF CASH FLOWS

(amounts in thousands)

	FOR THE NINE MONTHS ENDED	
	SEPTEMBER 30, 1995	SEPTEMBER 30, 1994
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)/income	\$ (6,630)	\$ 1,493
Adjustments to reconcile net (loss)/income to net cash (used in) provided by operations:		
Depreciation and amortization (including debt issuance costs)	3,591	1,656
Straight-lining of rental income	(1,147)	(1,227)
Gain on sale of real estate	-	(161)
Equity in real estate operations (net of contributions of \$951 and \$839 in 1995 and 1994)	(3,082)	(1,196)
Change in assets and liabilities:		
Cash restricted for operating liabilities	(14,684)	775
Accounts receivable	(366)	(2)
Note receivable	4,550	-
Amounts due to Vornado Realty Trust and its affiliate	(1,355)	268
Taxes payable and accrued liabilities	2	(241)
Other	(1,459)	2,088
	(20,580)	3,453
Net cash (used in)/provided by operating activities of continuing operations		
Payment of liabilities of discontinued operations	(28,551)	(5,206)
	(49,131)	(1,753)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to real estate	(28,480)	(6,946)
Cash restricted for construction financing	(6,098)	-
Proceeds from sale of real estate	-	200
	(34,578)	(6,746)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of secured debt	138,425	10,000
Debt repayments	(39,766)	(775)
Deferred debt expense	(5,553)	(2,349)
	93,106	6,876
Net increase (decrease) in cash and cash equivalents	9,397	(1,623)
Cash and cash equivalents at beginning of period	2,363	7,043
	\$ 11,760	\$ 5,420
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash payments for interest (including capitalized interest of \$4,569 and \$1,329)	\$ 11,499	\$ 4,931

Excludes an increase in real estate of \$20,838 and secured debt of \$21,812 and a reduction in minority interest of \$974 as a result of the Company acquiring a partnership interest (see Note 4).

See notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated balance sheets as of September 30, 1995, the consolidated statements of operations for the three and nine months ended September 30, 1995 and September 30, 1994, and the consolidated statements of cash flows for the nine months ended September 30, 1995 and September 30, 1994 are unaudited. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at September 30, 1995 and September 30, 1994 have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These Consolidated Financial Statements should be read in conjunction with the financial statements and notes thereto included in the Company's 1994 Annual Report to Shareholders. The results of operations for the period ended September 30, 1995 are not necessarily indicative of the operating results for the full year.

Effective in the first quarter of 1995, to be consistent with the prevalent real estate industry practice, the Company changed the presentation of its consolidated statements of operations to show tenant reimbursements of expenses, previously offset against operating expenses, as part of revenues. Prior period's amounts have been reclassified to conform with the current year's presentation.

2. EMERGENCE FROM CHAPTER 11

In March 1995, the Company paid holders of allowed general unsecured claims in full, together with accrued interest in respect of their claims. Such payments aggregated \$24,005,000. The Official Committee of Unsecured Creditors has been dissolved and all secured and unsecured creditors having allowed claims in the Bankruptcy Court cases have received the cash payments or debt instruments contemplated to be delivered to them under the Plan. A number of claims are being disputed by the Company and therefore are not allowed claims. An escrow account has been established for the resolution of these claims (see Note 4). The Bankruptcy Court has retained jurisdiction to resolve these disputed claims and for other limited purposes.

Because the Company is in the development stage, its current operating properties (four of its eight properties) do not generate sufficient cash flow to pay all of its expenses. The Company's four non-operating properties (Rego Park, Lexington Avenue, Paramus and the Kings Plaza Store) are in various stages of development. Rents under the Rego Park project are scheduled to commence in March 1996 --- see Note 6 "Caldor Corporation". As rents commence from a portion of the remaining development properties, the Company expects that cash flow will become positive.

The Company estimates that the fair market values of its assets are substantially in excess of their historical cost, and that there is additional borrowing capacity. Therefore Alexander's may raise capital through (a) property specific or corporate borrowing, (b) the sale of securities and (c) asset sales. In addition, the Company may receive the proceeds from certain tax certiorari or condemnation proceedings -- see Note 6 "Paramus Property" and "Tax Certiorari Proceedings". Although there can be no assurance, the Company believes that these cash sources will be adequate to fund cash requirements until its operations generate adequate cash flow.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. RELATED PARTY TRANSACTIONS

Steven Roth is Chief Executive Officer and a Director of the Company, the Managing General Partner of Interstate Properties ("Interstate") and Chairman of the Board and Chief Executive Officer of Vornado Realty Trust ("Vornado"). Interstate owns 27.1% of the outstanding common stock of the Company and owns 27.4% of the outstanding common shares of beneficial interest of Vornado. In addition, Mr. Roth owns 3.5% of the outstanding common shares of beneficial interest of Vornado. Mr. Roth, Interstate and the other two general partners of Interstate own, in the aggregate, 32.1% of the outstanding common shares of beneficial interest of Vornado. Vornado owns 29.3% of the outstanding common stock of the Company, including 27.1% purchased in March 1995.

In March 1995, the Company and Vornado entered into a three-year management and development agreement (the "Management Agreement"). The annual management fee payable by the Company to Vornado is \$3,000,000, plus 6% of development costs with a minimum guaranteed fee for the development portion of \$1,650,000 in the first year and \$750,000 in each of the second and third years. On July 6, 1995, Vornado assigned its Management Agreement to Vornado Management Corp., an affiliate of Vornado.

The fee pursuant to the Management Agreement is in addition to the leasing fee the Company pays to Vornado under the leasing agreement (the "Leasing Agreement") which has been in effect since 1992. Subject to the payment of rents by tenants, Vornado is due \$8,552,000, after the reversal of \$2,424,000 of fees payable and the corresponding deferred leasing expense applicable to the B.J. Wholesale Club and Home Depot leases in Paramus, which are no longer in effect. Such amount is payable annually in an amount not to exceed \$2,500,000, until the present value of such installments (calculated at a discount rate of 9% per annum) equals the amount that would have been paid had it been paid on September 21, 1993, or at the time the transactions which gave rise to the commissions occurred, if later. The term of the Leasing Agreement has been extended to be coterminous with the term of the Management Agreement.

In March 1995, the Company borrowed \$45,000,000 from Vornado, the subordinated tranche of a \$75,000,000 secured financing (see Note 4(2)). The Company incurred interest on the loan of \$1,910,000 and \$4,087,000 in the three and nine months ended September 30, 1995, of which \$279,000 and \$900,000 was capitalized.

Effective March 2, 1995, for a three-year period, Vornado and Interstate agreed not to own in excess of two-thirds of the Company's common stock or to enter into certain other transactions with the Company, other than the transactions described above, without the consent of the Company's independent directors.

4. DEBT AND RESTRICTED CASH

The Company borrowed \$138,425,000 during the nine months ended September 30, 1995, of which \$11,814,000 was borrowed in the third quarter. The proceeds of these borrowings were used primarily to (i) pay construction costs associated with the Rego Park property of \$16,400,000, (ii) pay \$39,552,000 of outstanding funded debt, and \$24,005,000 of allowed general unsecured claims and (iii) fund (a) interest-bearing escrow accounts for unpaid real estate taxes (\$7,000,000) and the remaining disputed claims in the Bankruptcy Court cases as they become allowed (\$8,000,000), and (b) collateral accounts for the Rego Park construction (\$6,000,000). Substantially all of the assets of the Company and its subsidiaries have been pledged and/or mortgaged to secure such indebtedness. The borrowings consist of:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) A \$25,000,000 five year loan maturing February 24, 2000, secured principally by, a mortgage on the Company's Fordham Road property and guaranteed by the parent. The loan bears annual interest at 30 day LIBOR plus 4.25% (10.13% at September 30, 1995), capped at LIBOR 9.75% (all-in rate, 14%) and requires amortization based on a 20 year term with an assumed interest rate of 9 1/2%. Beginning in year four, all cash flow of the property, after debt service, will further amortize the loan. The loan is not prepayable for the first six months of its term and is only prepayable with yield maintenance during the next twelve months in the event of certain types of refinancings. For the remainder of the term, it is prepayable without penalty. The loan contains customary mortgage covenants, including, among others, a default by the existing tenant. Further, in the event debt service coverage falls below certain levels or the existing tenant's financial condition, as defined, deteriorates, then during the first three years of the loan term, all cash flow of the property, after debt service, will be escrowed with the lender (see Note 6 "Caldor Corporation").

(2) A \$75,000,000 three-year loan secured by mortgages on all of the Company's assets and/or pledges of the stock of subsidiaries owning the assets and/or guarantees of such subsidiaries and the parent. The loan bears interest at a blended rate of 13.8% per annum for the first two years and is comprised of two separate notes of \$45,000,000 to Vornado and \$30,000,000 to a bank. Each note is separately secured by the collateral described above. The Vornado loan is subordinate to that of the bank and bears interest at 16.43% per annum (effective rate 17.54%) for the first two years and at a fixed rate for the third year of 992 basis points over the one-year Treasury bill rate. The bank's loan bears interest at 9.86% for the first two years and at a fixed rate for the third year of 325 basis points over the one-year Treasury bill rate. The Company paid a loan origination fee to Vornado and the bank of \$1,500,000 and \$375,000, respectively. The loans are prepayable at the end of the second year of their term without penalty. The loans contain customary covenants including, among others, lease approval rights, limitations on additional debt, dividends, acquisitions, mergers, property sales and restrict the Company from developing property without signed leases for more than 50% of such property's leasable space. No dividends can be paid unless required to maintain Real Estate Investment Trust ("REIT") status.

(3) A two year \$60,000,000 construction loan and a two year \$25,000,000 bridge loan from a group of banks, each secured by a mortgage on the Rego Park property. As of September 30, 1995, approximately \$38,425,000 was funded under such loans. The loans mature on April 1, 1997 (but may be extended at the Company's option, subject to certain conditions, for an additional year) and bear annual interest at (i) LIBOR plus 1.625% or (ii) the greater of (a) Federal Funds Rate plus 1.125% or (b) prime plus 0.625%, at the option of the Company (7.53% at September 30, 1995). The ability of the Company to borrow the \$25,000,000 under the bridge loan is based on conditions that cannot be met today and may not be met during the term of this loan. The Company has not relied on this amount in its determination of its ability to fund its current cash needs but believes that it will be able to refinance the Rego Park property at a level exceeding \$60,000,000 upon the completion of construction and commencement of tenants paying rent.

In addition to the above, in January 1995, the Seven Thirty One Limited Partnership ("the Partnership"), redeemed the first portion of the outside 731 Limited Partners' interest by giving such limited partners a promissory note due in August 1998 in the amount of \$21,812,000 (the "Note"). The Note bears annual interest at Prime plus 1% and is secured by a third mortgage on the Lexington Avenue property. The outside 731 Limited Partners have the right to put their remaining 7.64% interest to the Partnership until October 1998, in exchange for a five year secured note in the principal amount of \$15,000,000, bearing annual interest at Prime plus 1%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

After giving effect to the additional borrowings and debt repayments noted above, a summary of maturities of long-term debt is as follows (amounts in thousands):

Year ended December 31,	
1995	\$ 111
1996	473
1997	500
1998	135,680
1999	14,204
Thereafter	22,645

	\$173,613
	=====

5. INCOME TAXES

The Company intends to file, with its Federal income tax return for 1995, an election to be treated as a REIT for Federal income tax purposes. As a result of the Company's intention to elect to be taxed as a REIT, the deferred tax balance of \$1,406,000 at December 31, 1994 was reversed, resulting in an income tax benefit in the first quarter of 1995. At September 30, 1995, net operating loss carryovers of approximately \$133,000,000 are available to offset both future taxable income and the amount of the Company's REIT taxable income that otherwise would be required to be distributed to stockholders.

6. CONTINGENCIES

Paramus Property

The State of New Jersey has notified the Company of its intention to condemn a portion of the Paramus property. The New Jersey Department of Transportation ("DOT") has recently made an offer to purchase the land which is the subject of the condemnation proceeding for \$15,400,000 based on an appraisal performed on their behalf. The Company expects to negotiate with the DOT to attempt to reach agreement on the value. In the event that the Company and the DOT do not reach agreement on the value, a formal process will be initiated by the DOT, pursuant to which, among other things, a group of independent commissioners will be appointed by a court to determine fair market value. If the condemnation occurs, the Company would be required to change its development plans, and the time and cost to develop the property may materially increase. The leases which the Company had signed with Home Depot and B.J.'s Wholesale Club at this property are no longer in effect.

Lexington Avenue Property

The Company believes that, along with a number of other locations, a portion of the Lexington Avenue property is being considered by the Port Authority of New York and New Jersey (the "Port Authority") for the site of the terminus for a rail link from midtown Manhattan to LaGuardia and Kennedy Airports. Approvals of numerous Federal, New York State and New York City agencies are required before construction could begin. If the project proceeds and the Port Authority selects a portion of the Lexington Avenue property for such use and can establish that it is needed to serve a public use, benefit or purpose, the Port Authority, after conducting the requisite public hearings, may acquire such portion of the Lexington Avenue property pursuant to its powers of eminent domain. The Company has expressed its opposition to the possible condemnation of a portion of the property and has the right to appeal any

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

such action by the Port Authority. If the Port Authority prevails, the Company would be entitled to compensation for its loss. Since the nature and scope of any plans being considered by the Port Authority, and whether any such plans would ultimately affect the Lexington Avenue property, cannot be fully assessed by the Company at this time, it is impossible to determine the ultimate effect that a taking, or any uncertainty with respect thereto, would have on the Company's use or development of the Lexington Avenue property.

Tax Certiorari Proceedings

Alexander's Department Stores of Valley Stream, Inc. ("ADS of Valley Stream") is a party to a tax certiorari proceeding against The Board of Assessors and The Board of Assessment Review of the County of Nassau (the "Board") for overpayment of taxes on its former Valley Stream store property during the assessment rolls from 1986 to 1992. In January 1995, the Supreme Court of Nassau County, New York ruled that ADS of Valley Stream is entitled to an assessment reduction which would result in a refund of approximately \$6,600,000, plus interest (currently, \$9,900,000). Both the Board and the Company have appealed the Court's decision.

The Company is currently negotiating certiorari proceedings with the City of New York on several of its properties. As to one of these properties, the Company and its joint venture partner have agreed with the Law Department of the City of New York to a reduction in the assessed values covering the tax years 1988/1989 through 1995/1996, generating a refund of approximately \$28,300,000. The cash arising from the Company's allocable share of such refund, net of expenses, is approximately \$9,000,000. This settlement is subject to approval by various agencies of the City of New York.

Environmental Matters

The results of a 1993 Phase I environmental assessment at the Kings Plaza property show that certain adjacent properties owned by third parties have experienced petroleum hydrocarbon contamination. Based on this assessment and additional investigation of the Kings Plaza property and historical operations at the site, the Company believes there is a potential for hydrocarbon contamination on the Kings Plaza property. However, no contamination has been found on the property to date.

Caldor Corporation ("Caldor")

On September 18, 1995, Caldor, which leases the Fordham Road and Flushing Properties from the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. Property rentals from these two leases represent approximately 63% of the Company's consolidated revenues for the year ended December 31, 1994 and approximately 54% of the Company's consolidated revenues for the nine months ended September 30, 1995. Caldor has reported to the Company store sales of \$48,658,000 and \$42,047,000 for the Fordham Road Property and the Flushing property, respectively, for the lease years ending March 31, 1995. Caldor leased these properties "as is", expended the entire cost of refurbishing these stores and continues to pay rent on both of these locations. Caldor is also the lessee of a portion of the Rego Park Property under a lease scheduled to commence after the completion of the redevelopment of this property. Caldor, which is responsible for the construction of its store, ceased such construction in September 1995. The loss of property rental payments under any of these leases could have a material adverse effect on the financial condition and results of operations of the Company.

In addition, the failure of Caldor to meet certain financial tests may result in the Company being required to escrow net cash flow of approximately \$500,000 per annum from the Fordham Road Property into an account of the lender as a reserve against future payments under the loans (see Note 4(1)).

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

RESULTS OF OPERATIONS

The Company's revenues, which consist of property rentals, tenant expense reimbursements and other income were \$3,874,000 in the quarter ended September 30, 1995, compared to \$3,316,000 in the prior year's quarter, an increase of \$558,000 or 16.8%. Revenues were \$10,116,000 for the nine months ended September 30, 1995, compared to \$9,302,000 for the prior year's nine months, an increase of \$814,000 or 8.8%. These increases resulted primarily from an increase in the income derived from the operation of the Kings Plaza Shopping Center and Marina during the three and nine months ended September 30, 1995.

Operating, general and administrative expenses were \$1,640,000 in the quarter ended September 30, 1995, compared to \$1,222,000 in the prior year's quarter, an increase of \$418,000. Operating, general and administrative expenses were \$5,683,000 in the nine months ended September 30, 1995 compared to \$3,492,000 for the prior year's nine months, an increase of \$2,191,000. These increases resulted primarily from fees under the Management Agreement, higher professional fees and the commencement of salary to the Chairman of the Board of Directors.

Depreciation and amortization expense for the three and nine months ended September 30, 1995, did not change significantly from such expense for the prior year's periods.

Reorganization costs were \$1,938,000 in the nine months ended September 30, 1995, compared to \$1,375,000 in the prior year's period, an increase of \$563,000. These expenses were primarily due to professional fees incurred in connection with investigating financing alternatives, becoming a REIT and bankruptcy expenses. As stated in the Company's second quarter Form 10-Q, the Company expects no further significant reorganization costs, and in the third quarter of this year incurred no such costs.

Interest and debt expense was \$3,986,000 in the quarter ended September 30, 1995, as compared to \$673,000 in the prior year's quarter, an increase of \$3,313,000. Of this increase, approximately (i) \$2,000,000 was attributable to higher levels of debt, (ii) \$100,000 was attributable to higher interest rates, (iii) \$400,000 was attributable to the amortization of debt issuance costs, and (iv) \$800,000 resulted from interest and debt expense for 1994 being charged against the accrual for losses from discontinued operations. Interest and debt expense was \$10,208,000 for the nine months ended September 30, 1995, as compared to \$1,893,000 for the prior year's period, an increase of \$8,315,000. Of this increase, approximately (i) \$4,400,000 was attributable to higher levels of debt, (ii) \$200,000 was attributable to higher interest rates, (iii) \$1,900,000 was attributable to the amortization of debt issuance costs including a \$600,000 write-off, and (iv) \$1,800,000 resulted from interest and debt expense for 1994 being charged against the accrual for losses from discontinued operations.

Interest and other income, net was \$286,000 in the quarter ended September 30, 1995 as compared to \$21,000 in the prior year's quarter, an increase of \$265,000. Interest and other income, net was \$1,070,000 in the nine months ended September 30, 1995 as compared to \$157,000 for the prior year's period, an increase of \$913,000. These increases resulted primarily from (i) interest income earned on higher average cash invested due to increased borrowings and (ii) refunds of taxes, partially offset by (i) a settlement fee paid in connection with a financing arrangement not consummated, and (ii) a loss on the conveyance of residential property to the Borough of Paramus.

As a result of the Company's intention to elect to be taxed as a REIT for the year ended December 31, 1995, the deferred tax balance of \$1,406,000 at December 31, 1994 was reversed, resulting in an income tax benefit in the quarter ended March 1995.

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

LIQUIDITY AND CAPITAL RESOURCES

Cash used in operating activities of \$49,131,000 for the nine months ended September 30, 1995 was comprised of: (i) a net loss of \$6,630,000, (ii) adjustments for non-cash items of \$638,000, (iii) the payment of liabilities of discontinued operations of \$28,551,000, and (iv) cash restricted for operating liabilities of \$14,684,000, offset by (v) a net change in operating assets and liabilities of \$1,372,000.

Cash used in operating activities of \$1,753,000 for the nine months ended September 30, 1994, was comprised of: (i) the payment of liabilities of discontinued operations of \$5,206,000, offset by (ii) net income of \$1,493,000, less adjustments for non-cash items of \$928,000, and (iii) a net change in operating assets and liabilities of \$2,888,000.

Net cash used in investing activities of \$34,578,000 for the nine months ended September 30, 1995, was comprised of capital expenditures of \$28,480,000 and cash restricted for construction financing of \$6,098,000. Net cash used in investing activities of \$6,746,000 for the nine months ended September 30, 1994, was comprised primarily of capital expenditures.

Net cash provided by financing activities of \$93,106,000 for the nine months ended September 30, 1995, was comprised of proceeds from the issuance of secured debt of \$132,872,000 (net of deferred debt expense), offset by repayments of debt of \$39,766,000. Net cash provided by financing activities of \$6,876,000 for the nine months ended September 30, 1994, was comprised primarily of proceeds from the issuance of secured debt (net of deferred debt expense).

In connection with the redevelopment of its Rego Park property (new parking structure and other improvements), the Company has expended approximately \$16,400,000 during the nine months ended September 30, 1995, and expects to expend, through the first quarter of 1996, up to an additional \$20,000,000 to complete the project. At September 30, 1995, there was \$21,600,000 available under a \$60,000,000 construction loan to fund these expenditures. The Company estimates that its capital expenditure requirements for other projects will include: (i) the redevelopment of the Paramus property estimated to cost between \$55,000,000 and \$60,000,000 (ii) the subdivision of the existing space and other improvements at the Kings Plaza Store property estimated to cost between \$10,000,000 and \$15,000,000, and (iii) the renovation of the existing Lexington Avenue building estimated to cost between \$20,000,000 and \$25,000,000. While the Company anticipates that financing will be available after tenants have been obtained for these redevelopment projects, there can be no assurance that such financing will be obtained or if obtained, that such financings will be on terms that are acceptable to the Company. In addition, it is uncertain as to when these projects will commence.

On September 18, 1995, Caldor, which leases the Fordham Road and Flushing Properties from the Company, filed for relief under Chapter 11 of the United States Bankruptcy Code. Property rentals from these two leases represent approximately 63% of the Company's consolidated revenues for the year ended December 31, 1994 and approximately 54% of the Company's consolidated revenues for the nine months ended September 30, 1995. Caldor has reported to the Company store sales of \$48,658,000 and \$42,047,000 for the Fordham Road Property and the Flushing Property, respectively, for the lease years ending March 31, 1995. Caldor leased these properties "as is", expended the entire cost of refurbishing these stores and continues to pay rent on both of these locations. Caldor is also the lessee of a portion of the Rego Park Property under a lease scheduled to commence after the completion of the redevelopment of this property. Caldor, which is responsible for the construction of its own store, ceased such construction in September 1995. The loss of property rental payments under any of these leases could have a material adverse effect on the financial condition and results of operations of the Company.

**ALEXANDER'S, INC.
AND SUBSIDIARIES**

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

Because the Company is in the development stage, its current operating properties (four of its eight properties) do not generate sufficient cash flow to pay all of its expenses. The Company's four non-operating properties (Rego Park, Lexington Avenue, Paramus and the Kings Plaza Store) are in various stages of development. Rents under the Rego Park project are scheduled to commence in March 1996 -- see Note 6 "Caldor Corporation". As rents commence from a portion of the remaining development properties, the Company expects that cash flow will become positive.

The Company estimates that the fair market values of its assets are substantially in excess of their historical cost, and that there is additional borrowing capacity. Therefore, Alexander's may raise capital through

(a) property specific or corporate borrowing, (b) the sale of securities and
(c) asset sales. In addition, the Company may receive the proceeds from certain tax certiorari or condemnation proceedings -- see Note 6 "Paramus Property" and "Tax Certiorari Proceedings". Although there can be no assurance, the Company believes that these cash sources will be adequate to fund cash requirements until its operations generate adequate cash flow.

ALEXANDER'S, INC.

PART II. OTHER INFORMATION

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

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

27 Financial Data Schedule

(b) Reports on Form 8-K

During the quarter ended September 30, 1995, Alexander's, Inc. filed the report on Form 8-K described below.

Period Covered:
(Date of Earliest
Event Reported)

September 18, 1995

Items Reported

5. Other events - re: the
Caldor Corporation,
a major tenant, filed
for bankruptcy protection

Date of Report

September 18, 1995

ALEXANDER'S, INC.

SIGNATURES

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

ALEXANDER'S, INC.

(Registrant)

Date: November 9, 1995

/s/ Joseph Macnow

*JOSEPH MACNOW
Vice President - Chief Financial
Officer and Chief Accounting Officer*

ALEXANDER'S, INC.

EXHIBIT INDEX

EXHIBIT NO.		PAGE NUMBER IN SEQUENTIAL NUMBERING
----- 27	Financial Data Schedule	----- 16

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

PERIOD TYPE	9 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD END	SEP 30 1995
CASH	\$11,760
SECURITIES	0
RECEIVABLES	409
ALLOWANCES	(147)
INVENTORY	0
CURRENT ASSETS	0
PP&E	164,520
DEPRECIATION	(37,437)
TOTAL ASSETS	192,402
CURRENT LIABILITIES	0
BONDS	173,613
COMMON	5,174
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	(33,377)
TOTAL LIABILITY AND EQUITY	192,402
SALES	0
TOTAL REVENUES	10,116
CGS	0
TOTAL COSTS	5,683
OTHER EXPENSES	3,331
LOSS PROVISION	0
INTEREST EXPENSE	10,208
INCOME PRETAX	(8,036)
INCOME TAX	(1,406)
INCOME CONTINUING	(6,630)
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	(6,630)
EPS PRIMARY	(1.33)
EPS DILUTED	(1.33)

End of Filing