

FOR IMMEDIATE RELEASE:

**WELLSFORD REAL PROPERTIES, INC. REPORTS
FIRST QUARTER 2002 RESULTS:
YEAR OVER YEAR CASH FLOW PER SHARE HOLDS CONSTANT**

NEW YORK, May 8, 2002—Wellsford Real Properties, Inc. (AMEX: “WRP”) reported first quarter 2002 revenues of \$6,990,948, a net loss of \$(1,076,414) or \$(0.17) per basic and diluted share and net cash flow of \$1,417,003 or \$0.22 per basic and diluted share. For the comparable quarter in 2001, WRP reported revenues of \$11,900,234, net income of \$1,663,482 or \$0.20 per basic and diluted share and net cash flow of \$1,738,093 or \$0.21 per basic and diluted share.

First Quarter 2002 and Subsequent Activities

Wellsford/Whitehall

At March 31, 2001, WRP had a 32.58% ownership interest in Wellsford/Whitehall, a private joint venture that owns and operates 35 properties totaling 3,905,000 square feet.

During the first quarter of 2002, Wellsford/Whitehall leased 67,000 square feet at a weighted average base rate of approximately \$26.00 per square foot. The portfolio occupancy was 70% at March 31, 2002.

Wellsford Development

During the first quarter of 2002, WRP sold nine condominium units at the Silver Mesa phase of Palomino Park. Gross proceeds from these sales were \$2,079,000, of which \$1,741,000 was applied to principal repayments on the related loan. WRP sold 32 units for gross proceeds of \$6,448,000 in the comparable 2001 period. Through March 31, 2002, 114 units have been sold and 150 units remain to be sold.

The Blue Ridge and Red Canyon phases of Palomino Park were 83% occupied and the recently completed Green River phase, which is in its initial lease-up, was 67% occupied at March 31, 2002.

Wellsford Capital

Second Holding, a special purpose finance company in which WRP has a 51% equity interest, purchased \$131,000,000 of investments in real estate and other asset-backed securities for a total investment balance of \$1,057,000,000 at March 31, 2002.

Corporate

As a result of the 2001 restructuring charge and cost cutting measures, WRP’s general and administrative expenses decreased 13% from the first quarter 2001.

Commenting on the activities of the first quarter, Jeffrey H. Lynford, Chairman of the Board, stated, “Leasing and sales activities during the first quarter were very slow. Our profitability this year is dependent upon sales of office properties and condominiums. While marketing programs are in place, any

office transactions to be consummated will not occur before the third quarter. Meanwhile, we maintain \$33 million of cash for liquidity and have no debt maturing this year.”

This press release may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following, which are discussed in greater detail in the “Risk Factors” section of the Company’s registration statement on Form S-3 (file No. 333-73874) filed with the Securities and Exchange Commission (“SEC”) on December 14, 2001, as may be amended, which is incorporated herein by reference: general and local economic and business conditions, which will, among other things, affect demand for commercial and residential properties, availability and credit worthiness of prospective tenants, lease rents and the availability and cost of financing; ability to find suitable investments; competition; risks of real estate acquisition, development, construction and renovation including construction delays and cost overruns; ability to comply with zoning and other laws; vacancies at commercial and multifamily properties; dependence on rental income from real property; adverse consequences of debt financing including, without limitation, the necessity of future financings to repay debt obligations; inability to meet financial and valuation covenants; inability to repay financings; risks of investments in debt instruments, including possible payment defaults and reductions in the value of collateral; uncertainty pertaining to the WTC Certificates, including scheduled interest payments, the ultimate repayment of principal, adequate insurance coverages, the ability of insurers to pay claims and effects of changes in ratings from Standard & Poor’s and Fitch; risks of subordinate loans; risks of leverage; risks associated with equity investments in and with third parties; availability and cost of financing; interest rate risks; demand by prospective buyers of condominium and commercial properties; inability to realize gains from the real estate assets held for sale; lower than anticipated sales prices; inability to close on sales of properties under contract; illiquidity of real estate investments; environmental risks; and other risks listed from time to time in the Company’s reports filed with the SEC. Therefore, actual results could differ materially from those projected in such statements.

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Wellsford Real Properties, Inc.
Financial Highlights

<u>Consolidated Statements of Operations</u>	For the Three Months Ended	
	March 31,	
	2002	2001
	(unaudited)	
REVENUES		
Rental revenue.....	\$ 3,727,216	\$ 3,833,514
Revenue from sales of residential units.....	2,078,585	6,447,600
Interest revenue.....	1,068,167	1,543,904
Fee revenue.....	<u>116,980</u>	<u>75,216</u>
Total revenues.....	<u>6,990,948</u>	<u>11,900,234</u>
COSTS AND EXPENSES		
Cost of sales of residential units.....	1,905,560	5,650,801
Property operating and maintenance.....	1,310,278	988,527
Real estate taxes.....	364,330	364,822
Depreciation and amortization.....	1,260,805	1,050,143
Property management.....	131,709	165,086
Interest.....	1,493,736	1,125,184
General and administrative.....	<u>1,673,663</u>	<u>1,931,654</u>
Total costs and expenses.....	<u>8,140,081</u>	<u>11,276,217</u>
Income from joint ventures.....	<u>420,203</u>	<u>1,946,058</u>
(Loss) income before minority interest, income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(728,930)	2,570,075
Minority interest.....	<u>45,470</u>	<u>(91,639)</u>
(Loss) income before income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(683,460)	2,478,436
Income tax (benefit) expense.....	<u>(27,000)</u>	<u>465,000</u>
(Loss) income before accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(656,460)	2,013,436
Accrued distributions and amortization of costs on Convertible Trust Preferred Securities, net of income tax benefit of \$105,000 and \$175,000.....	<u>419,954</u>	<u>349,954</u>
Net (loss) income.....	<u>\$ (1,076,414)</u>	<u>\$ 1,663,482</u>
Net (loss) income per common share, basic.....	<u>\$ (0.17)</u>	<u>\$ 0.20</u>
Net (loss) income per common share, diluted.....	<u>\$ (0.17)</u>	<u>\$ 0.20</u>
Weighted average number of common shares outstanding, basic.....	<u>6,409,248</u>	<u>8,351,623</u>
Weighted average number of common shares outstanding, diluted.....	<u>6,409,248</u>	<u>8,356,001</u>

Wellsford Real Properties, Inc.
Financial Highlights
(continued)

<u>Calculation of Net Cash Flow*</u>	<u>For the Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2002</u>	<u>2001</u>
	<u>(unaudited)</u>	
Net (loss) income.....	\$ (1,076,414)	\$ 1,663,482
Add/(deduct):		
Depreciation and amortization.....	1,242,282	1,023,008
Accumulated depreciation and recovery of impairment provision on assets sold	--	(2,052,119)
Share of joint venture depreciation and amortization, net	<u>1,251,135</u>	<u>1,103,722</u>
Net cash flow.....	<u>\$ 1,417,003</u>	<u>\$ 1,738,093</u>
Net cash flow per common share, basic	<u>\$ 0.22</u>	<u>\$ 0.21</u>
Net cash flow per common share, diluted.....	<u>\$ 0.22</u>	<u>\$ 0.21</u>
Weighted average number of common shares outstanding for net cash flow, basic.....	<u>6,409,248</u>	<u>8,351,623</u>
Weighted average number of common shares outstanding for net cash flow, diluted.....	<u>6,422,131</u>	<u>8,356,001</u>
<u>Summary of Consolidated Balance Sheet Data</u>	<u>March 31,</u>	<u>December 31,</u>
	<u>2002</u>	<u>2001</u>
	<u>(unaudited)</u>	
Real estate, net.....	\$ 158,636,071	\$ 161,090,132
Notes receivable	\$ 33,568,363	\$ 34,784,727
Investment in joint ventures	\$ 95,952,177	\$ 95,806,509
Cash and cash equivalents	\$ 33,268,912	\$ 36,148,529
Total assets	\$ 339,800,104	\$ 345,838,157
Mortgage notes payable.....	\$ 120,122,276	\$ 121,730,604
Convertible Trust Preferred Securities	\$ 25,000,000	\$ 25,000,000
Total shareholders' equity	\$ 177,342,644	\$ 178,078,702
Other information:		
Common shares outstanding.....	6,409,281	6,405,241
Book value per share	\$ 27.67	\$ 27.80
Enterprise assets (unaudited).....	\$1,932,864,000	\$1,855,244,000

* The Company considers Net Cash Flow to be an important measure of its performance, to be considered in addition to Net Income, predicated on Generally Accepted Accounting Principles. Net Cash Flow, for the Company's purposes, represents Net Income as prescribed by Generally Accepted Accounting Principles, plus depreciation and amortization on real estate assets, share of depreciation and amortization from unconsolidated partnerships and joint ventures, offset by accumulated depreciation and recovery of impairment provisions on assets sold. Included in such cash flow is the Company's share of undistributed cash retained by the unconsolidated partnerships and joint ventures for continuing investment in lieu of future fundings as well as cash obtained from gains on sales of properties. Net Cash Flow should not be considered a replacement for Net Income as an indicator of the Company's operating performance and is not necessarily indicative of cash available to fund cash needs.