

FOR IMMEDIATE RELEASE:

**WELLSFORD REAL PROPERTIES, INC.
REPORTS SECOND QUARTER 2002 RESULTS**

NEW YORK, August 12, 2002—Wellsford Real Properties, Inc. (AMEX: “WRP”) reported second quarter 2002 revenues of \$7,442,491, a net loss of \$(893,386) or \$(0.14) per basic and diluted share and net cash flow of \$1,705,387 or \$0.26 per basic and diluted share. For the comparable quarter in 2001, WRP reported revenues of \$13,131,882, net income of \$178,709 or \$0.02 per basic and diluted share and net cash flow of \$2,410,505 or \$0.31 per basic and diluted share.

For the six months ended June 30, 2002, WRP reported revenues of \$14,433,439, a net loss of \$(1,969,800) or \$(0.31) per basic and diluted share and net cash flow of \$3,122,390 or \$0.49 and \$0.48 per basic and diluted share, respectively. For the comparable period in 2001, WRP reported revenues of \$25,032,116, net income of \$1,842,191 or \$0.23 per basic and diluted share and net cash flow of \$4,148,598 or \$0.51 per basic and diluted share.

Second Quarter 2002

Wellsford/Whitehall

At June 30, 2002, WRP had a 32.58% ownership interest in Wellsford/Whitehall, a private joint venture that owns and operates 34 properties totaling 3,874,000 square feet.

During the six months ended June 30, 2002, Wellsford/Whitehall leased 109,000 square feet at a weighted average base rate of approximately \$26.58 per square foot. The portfolio occupancy was 71% at June 30, 2002 as compared to 69% at December 31, 2001. Wellsford/Whitehall had total assets of \$553,582,000 and debt of \$360,590,000 at June 30, 2002. At December 31, 2001, total assets were \$572,111,000 and total debt of \$370,009,000.

Wellsford Development

During the second quarter of 2002, WRP sold 11 condominium units at the Silver Mesa phase of Palomino Park. Gross proceeds from these sales were \$2,245,000, of which \$1,872,000 was applied to principal repayments on the related loan. WRP sold 38 units for gross proceeds of \$8,125,000 in the comparable 2001 period. For the six months ended June 30, 2002, WRP sold 20 units for gross proceeds of \$4,324,000, approximately \$3,613,000 of which was applied to principal payments. WRP sold 70 units for gross proceeds of \$14,573,000 in the comparable 2001 period. Through June 30, 2002, 125 units have been sold and 139 units remain to be sold.

The Blue Ridge, Red Canyon and Silver Mesa rental phases of Palomino Park were 85% occupied at June 30, 2002 as compared to 77% at December 31, 2001. Green River, the newest rental phase which is in its initial lease-up, was 82% occupied at June 30, 2002 as compared to 52% at December 31, 2001. Occupancy for all four phases was 84% at June 30, 2002. The increase in physical occupancy was achieved, in part, by an increase in concessions during the six months ended June 30, 2002.

Wellsford Capital

During May 2002, WRP's \$5,000,000 participation in a \$10,000,000 second mortgage loan was repaid in full. The loan was originated in September 1999 with an annual interest rate of LIBOR + 4.75% and

scheduled to mature in July 2002. The underlying property, a 608,000 square foot mixed-use property in Boston, MA was sold in May 2002, resulting in the repayment of the loan.

Second Holding, a special purpose finance company in which WRP has a 51% equity interest, purchased \$187,731,000 of investments in real estate and other asset-backed securities during the second quarter of 2002 resulting in a total investment balance of \$1,210,141,000 at June 30, 2002 after repayments. Second Holding's investment balance at December 31, 2001 was \$926,453,000.

Corporate

Commenting on the second quarter 2002 results and transactions, Mr. Jeffrey H. Lynford, WRP's Chairman stated, "In these volatile times we feel that we have sufficient liquidity to meet our current and foreseeable future obligations. At the Company level we have \$38.6 million of cash and separately the Wellsford/Whitehall venture has \$16.7 million of cash."

"Operationally, leasing in both our office and residential portfolios has been very slow. This also applies to the sale of our condominiums. We see no reversal of these trends until the general economy begins to recover."

"We are currently reviewing the provisions of the Sarbanes-Oxley Act of 2002 regarding corporate governance to ensure our compliance."

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 maturing debt obligations; inability to meet financial and valuation covenants contained in loan agreements; 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

	For the Three Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
	(unaudited)		(unaudited)	
REVENUES				
Rental revenue	\$ 4,009,548	\$ 3,438,856	\$ 7,736,764	\$ 7,272,370
Revenue from sales of residential units.....	2,245,269	8,125,200	4,323,854	14,572,800
Interest revenue.....	1,042,645	1,344,400	2,110,812	2,888,304
Fee revenue.....	<u>145,029</u>	<u>223,426</u>	<u>262,009</u>	<u>298,642</u>
Total revenues.....	<u>7,442,491</u>	<u>13,131,882</u>	<u>14,433,439</u>	<u>25,032,116</u>
COSTS AND EXPENSES				
Cost of sales of residential units.....	2,033,158	7,159,195	3,938,718	12,809,996
Property operating and maintenance	1,285,306	928,872	2,595,584	1,917,399
Real estate taxes.....	401,932	319,300	766,262	684,122
Depreciation and amortization	1,300,858	1,844,309	2,561,663	2,894,452
Property management	120,978	135,983	252,687	301,069
Interest	1,455,074	1,094,637	2,948,810	2,219,821
General and administrative	<u>1,658,177</u>	<u>1,986,078</u>	<u>3,331,840</u>	<u>3,917,732</u>
Total costs and expenses.....	<u>8,255,483</u>	<u>13,468,374</u>	<u>16,395,564</u>	<u>24,744,591</u>
Income from joint ventures.....	<u>329,582</u>	<u>758,816</u>	<u>749,785</u>	<u>2,704,874</u>
(Loss) income before minority interest, income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities	(483,410)	422,324	(1,212,340)	2,992,399
Minority interest benefit (expense).....	<u>25,977</u>	<u>(93,662)</u>	<u>71,447</u>	<u>(185,301)</u>
(Loss) income before income taxes and accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(457,433)	328,662	(1,140,893)	2,807,098
Income tax expense (benefit)	<u>16,000</u>	<u>(193,000)</u>	<u>(11,000)</u>	<u>272,000</u>
(Loss) income before accrued distributions and amortization of costs on Convertible Trust Preferred Securities.....	(473,433)	521,662	(1,129,893)	2,535,098
Accrued distributions and amortization of costs on Convertible Trust Preferred Securities, net of income tax benefit of \$105,000, \$182,000, \$210,000 and \$357,000, respectively.....	<u>419,953</u>	<u>342,953</u>	<u>839,907</u>	<u>692,907</u>
Net (loss) income	<u>\$ (893,386)</u>	<u>\$ 178,709</u>	<u>\$ (1,969,800)</u>	<u>\$ 1,842,191</u>
Net (loss) income per common share, basic.....	<u>\$ (0.14)</u>	<u>\$ 0.02</u>	<u>\$ (0.31)</u>	<u>\$ 0.23</u>
Net (loss) income per common share, diluted.....	<u>\$ (0.14)</u>	<u>\$ 0.02</u>	<u>\$ (0.31)</u>	<u>\$ 0.23</u>
Weighted average number of common shares outstanding, basic.....	<u>6,437,390</u>	<u>7,864,302</u>	<u>6,423,397</u>	<u>8,106,616</u>
Weighted average number of common shares outstanding, diluted.....	<u>6,437,390</u>	<u>7,873,327</u>	<u>6,423,397</u>	<u>8,115,704</u>

Wellsford Real Properties, Inc.
Financial Highlights
(continued)

<u>Calculation of Net Cash Flow*</u>	<u>For the Three Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	(unaudited)		(unaudited)	
Net (loss) income	\$ (893,386)	\$ 178,709	\$ (1,969,800)	\$ 1,842,191
Add/(deduct):				
Depreciation and amortization	1,281,353	1,817,174	2,523,635	2,840,182
Accumulated depreciation and recovery of impairment provision on assets sold	--	(1,185,948)	--	(3,238,067)
Share of joint venture depreciation and amortization, net	1,317,420	1,600,570	2,568,555	2,704,292
Net cash flow	<u>\$ 1,705,387</u>	<u>\$ 2,410,505</u>	<u>\$ 3,122,390</u>	<u>\$ 4,148,598</u>
Net cash flow per common share, basic	<u>\$ 0.26</u>	<u>\$ 0.31</u>	<u>\$ 0.49</u>	<u>\$ 0.51</u>
Net cash flow per common share, diluted	<u>\$ 0.26</u>	<u>\$ 0.31</u>	<u>\$ 0.48</u>	<u>\$ 0.51</u>
Weighted average number of common shares outstanding for net cash flow, basic	<u>6,437,390</u>	<u>7,864,302</u>	<u>6,423,397</u>	<u>8,106,616</u>
Weighted average number of common shares outstanding for net cash flow, diluted	<u>6,484,959</u>	<u>7,873,327</u>	<u>6,474,434</u>	<u>8,115,704</u>
 Summary Consolidated Balance Sheet Data				
	<u>June 30,</u>		<u>December 31,</u>	
	<u>2002</u>		<u>2001</u>	
	(unaudited)		(audited)	
Real estate, net	\$ 156,006,365	\$ 161,090,132		
Notes receivable	\$ 28,612,000	\$ 34,784,727		
Investment in joint ventures	\$ 96,210,114	\$ 95,806,509		
Cash and cash equivalents	\$ 38,666,966	\$ 36,148,529		
Total assets	\$ 337,716,438	\$ 345,838,157		
Mortgage notes payable	\$ 118,142,657	\$ 121,730,604		
Convertible Trust Preferred Securities	\$ 25,000,000	\$ 25,000,000		
Total shareholders' equity	\$ 177,329,400	\$ 178,078,702		
Other information:				
Common shares outstanding	6,448,054	6,405,241		
Book value per share	\$ 27.50	\$ 27.80		
Enterprise assets (unaudited)	\$ 2,103,748,000	\$ 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.