
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) SEPTEMBER 19, 1997

CALI REALTY CORPORATION

(Exact name of registrant as specified in its charter)

<TABLE>			
<S>	<C>	<C>	
MARYLAND	1-13274	22-3305147	
(state or other jurisdiction or incorporation)	(Commission File Number)	(IRS Employer Identification Number)	
</TABLE>			

11 COMMERCE DRIVE, CRANFORD, NEW JERSEY 07016

Registrant's telephone number, including area code (908) 272-8000

N/A

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(b) Pro Forma Financial Information (unaudited)

The pro forma financial information for the Company previously presented as Item 5(b) of the Current Report on Form 8-K dated September 19, 1997 is hereby amended to reflect the actual pricing of, the number of shares issued in and the expected use of proceeds from the public offering priced on October 9, 1997:

- Condensed consolidated balance sheet as of June 30, 1997.
- Condensed consolidated statement of operations for the six month period ended June 30, 1997 and the year ended December 31, 1996.

This current report on Form 8-K/A should be read in conjunction with the current report on Form 8-K dated September 19, 1997 which contains, among other things, Audited Combined Financial Statements of the Mack Group as of December 31, 1996 and 1995 and for the three years in the period ended December 31, 1996 and Unaudited Financial Information as of June 30, 1997 and for the six months ended June 30, 1997 and 1996.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Cali Realty Corporation has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

October 10, 1997	CALI REALTY CORPORATION
By:	/s/ THOMAS A. RIZK

	Thomas A. Rizk
	PRESIDENT AND CHIEF EXECUTIVE OFFICER
October 10, 1997	By:
	/s/ BARRY LEFKOWITZ

	Barry Lefkowitz
	CHIEF FINANCIAL OFFICER

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CALI REALTY CORPORATION

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(UNAUDITED)

The following unaudited pro forma condensed consolidated balance sheet is presented as if the acquisition by the Company of the Moorestown Buildings, Shelton Place, 200 Corporate, Three Independence (collectively, the "Pre-Mack Events," which are discussed more fully in the Company's Current Report on Form 8-K, dated September 18, 1997), the Transaction (which is discussed more fully in the Company's Current Report on Form 8-K, dated September 19, 1997), and the Company's issuance of 13 million shares of its Common Stock at \$39.8125 per share (the "1997 Offering") had occurred on June 30, 1997. This unaudited pro forma condensed consolidated balance sheet should be read in conjunction with the pro forma condensed consolidated statement of operations of the Company and the historical financial statements and notes thereto of the Company included in the Company's Form 10-K for the year ended December 31, 1996 and the Company's Form 10-Q for the six month period ended June 30, 1997, respectively.

The pro forma condensed consolidated balance sheet is unaudited and is not necessarily indicative of what the actual financial position of the Company would have been had the aforementioned acquisition actually occurred on June 30, 1997, nor does it purport to represent the future financial position of the Company.

<TABLE>

<CAPTION>

	COMPANY	PRO FORMA ADJUSTMENTS FOR PRE-MACK	PRE-MACK EVENTS	PRO FORMA ADJ. FOR THE TRANSACTION AND 1997	
COMPANY ASSETS FORMA (L)	HISTORICAL	EVENTS	PRO FORMA	OFFERING	PRO
-----	-----	-----	-----	-----	----
<S>	<C>	<C>	<C>	<C>	<C>
Rental property, net..... 2,559,788	\$ 1,307,365	\$ 46,850 (a)	\$ 1,354,215	\$ 1,205,573 (d)	\$
Cash and cash equivalents..... 6,090	6,090	--	6,090	--	(e)
Unbilled rents receivable..... 23,648	23,648	--	23,648	--	
Deferred charges and other assets, net..... 13,224	13,224	--	13,224	--	
Restricted cash..... 8,218	8,218	--	8,218	--	
Accounts receivable, net..... 3,547	3,547	--	3,547	--	
Mortgage note receivable..... 7,250	11,600	(4,350) (b)	7,250	--	
-----	-----	-----	-----	-----	----
Total assets..... 2,621,765	\$ 1,373,692	\$ 42,500	\$ 1,416,192	1,205,573	\$
-----	-----	-----	-----	-----	----
-----	-----	-----	-----	-----	----
LIABILITIES AND STOCKHOLDERS' EQUITY					
Mortgages and loans payable..... 936,762	\$ 553,961	\$ 42,500 (c)	\$ 596,461	\$ 340,301 (f)	\$
Dividends and distributions payable..... 18,334	18,334	--	18,334	--	
Accounts payable and accrued expenses..... 10,160	10,582	--	10,582	(422) (g)	
Accrued interest payable..... 1,916	1,916	--	1,916	--	
Rents received in advance and security deposits..... 26,745	16,280	--	16,280	10,465 (h)	
-----	-----	-----	-----	-----	----
Total liabilities..... 993,917	601,073	42,500	643,573	350,344	
-----	-----	-----	-----	-----	----
Minority interest of unitholders in Operating Partnership..... 462,434	70,911	--	70,911	391,523 (i)	
-----	-----	-----	-----	-----	----
Stockholders' equity					
Common stock, \$.01 par value..... 496	366	--	366	130 (j)	
Other stockholders' equity.....	701,342	--	701,342	463,576 (k)	

1,164,918

-----	-----	-----	-----	-----	-----
Total stockholders' equity.....	701,708	--	701,708	463,706	
1,165,414					
-----	-----	-----	-----	-----	-----
Total liabilities and stockholders' equity.....	\$ 1,373,692	\$ 42,500	\$ 1,416,192	\$ 1,205,573	\$
2,621,765					
-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----

</TABLE>

See accompanying footnotes on subsequent pages.

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 1997 (IN THOUSANDS)

(UNAUDITED)

- (a) Represents the approximate aggregate cost of the acquisitions completed subsequent to June 30, 1997, consisting of the Moorestown Buildings on July 21, 1997 for \$10,200; Shelton Place on August 1, 1997 for \$15,500; 200 Corporate on August 15, 1997 for \$8,000; and Three Independence on September 3, 1997 for \$13,150. (See the Company's Current Report on Form 8-K, dated September 18, 1997 for additional information.)
- (b) Represents the partial prepayment of the RM Mortgage Note Receivable received from the sellers of 200 Corporate, certain RM principals, in conjunction with the Company's acquisition of such property. (See the Company's Current Report on Form 8-K, dated September 18, 1997 for additional information.)
- (c) Represents the approximate aggregate pro forma drawings on the Company's credit facilities, which were used as the primary means in funding the acquisitions subsequent to June 30, 1997, as listed in note (a) above. (See the Company's Current Report on Form 8-K, dated September 18, 1997 for additional information.)
- (d) Represents the estimated aggregate acquisition cost to be incurred by the Company to acquire the Mack Properties based upon the estimated market price of the consideration to be paid as of the time the Transaction was agreed to and announced. The total costs approximate the fair value of the rental property to be acquired and include the following:

<TABLE>	<C>
<S>	
Cash.....	\$ 476,106
Mack Assumed Debt.....	302,147
Common Units.....	132,721
Preferred Units.....	256,075
Warrants.....	8,524
Estimated Transaction-related costs.....	30,000

	\$1,205,573

</TABLE>

- (e) The following schedule summarizes the pro forma sources and uses of funds in connection with the Transaction:

<TABLE>	<C>
<S>	
Net proceeds to be received from the 1997 Offering after estimated underwriting discount and issuance costs of \$28,020.....	\$ 489,542
Pro forma drawing on the Company's credit facilities.....	38,154
Cash consideration paid (including estimated Transaction-related costs of \$30,000).....	(506,106)
Cash paid for executive compensation, bonuses and related tax obligation payments.....	(32,055)
Net cash from estimated closing adjustments at completion of Transaction.....	10,465

	\$ 0

</TABLE>

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS OF JUNE 30, 1997 (IN THOUSANDS)

(UNAUDITED)

- (f) Represents the Mack Assumed Debt expected to be assumed by the Company and additional drawings on the Company's credit facilities in connection with the consummation of the Transaction, as follows:

<TABLE>	
<S>	
Expected assumed debt with an estimated weighted average interest rate of 7.23 percent.....	\$ 302,147
Additional drawings on the Company's credit facilities.....	38,154

	\$ 340,301

</TABLE>

- (g) Represents amounts that were accrued in the Company's historical accounts as of June 30, 1997 for tax obligation payments in connection with the Company's executive compensation agreements, which are to be paid in connection with completion of the Transaction (see Note (l) below).
- (h) Represents adjustments for rents received in advance (\$7,278) and security deposits (\$3,187) to be received by the Company at the closing of the Transaction.
- (i) Reflects the adjustment to minority interest of the unitholders in the Operating Partnership computed as follows:

<TABLE>	
<S>	
Common Units.....	\$ 132,721
Preferred Units.....	256,075
Warrants.....	8,524
Minority interest share of non-recurring charges [see Note (k) below].....	(5,797)

	\$ 391,523

</TABLE>

- (j) Reflects the issuance of 13 million shares of the Company's Common Stock with a par value of \$.01 per share.

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

AS OF JUNE 30, 1997 (IN THOUSANDS)

(UNAUDITED)

- (k) Reflects the issuance of 13 million shares of the Company's Common Stock with a par value of \$.01 per share, at \$39.8125 per share. The following table sets forth the adjustments to Other stockholders' equity:

<TABLE>	
<S>	
Net proceeds to be received from the 1997 Offering after estimated underwriting discount and issuance costs of \$28,020, (net of \$130 for par value).....	\$ 489,412
Recording of the financial accounting value ascribed to the beneficial conversion feature inherent in the Preferred Units upon issuance. The Preferred Units are immediately convertible into Common Units at \$34.65 per Common Unit, which is an amount that is expected to be less than the market price of the Common Stock (assumed to be \$39.8125 per share for purposes of this pro forma information) as of the date the Preferred Units are issued.....	37,196

Recording of amortization for the beneficial conversion feature inherent in the Preferred Units as they are immediately convertible into Common Units upon consummation of the Transaction (1).....	(37,196)
Expensing of previously unamortized stock compensation recorded in connection with the Company's executive compensation agreements, which will fully vest on an accelerated basis as a result of the consummation of the Transaction (1).....	(10,063)
Tax obligation payments related to stock compensation (net of \$422 previously accrued) (1).....	(4,648)
Elimination of unamortized stock compensation previously recorded in equity.....	10,063
Additional executive compensation and bonuses to be paid only upon consummation of the Transaction (1).....	(26,985)
Allocation to minority interest based upon post-Transaction ownership.....	5,797

	\$ 463,576

</TABLE>

(1) See following Estimated Pro Forma Results for Permitted Transaction Alternatives.

- - - - -

(1) Reflects the adjustments to historical net earnings for non-recurring charges, which will be incurred in connection with the Transaction and will be recorded in the Company's statement of operations for the period in which they are incurred.

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CALI REALTY CORPORATION

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

FOR THE SIX MONTHS ENDED JUNE 30, 1997

AND THE YEAR ENDED DECEMBER 31, 1996

The unaudited pro forma condensed consolidated statements of operations for the six months ended June 30, 1997 and for the year ended December 31, 1996 are presented as if each of the following had occurred on January 1, 1996: (i) the partial prepayment by the Company of its Mortgage Financing ("Partial Prepayment") in 1996, (ii) the disposition by the Company of its property at 15 Essex Road in Paramus, New Jersey ("Essex Road") in 1996, (iii) the acquisition by the Company of the properties known as 103 Carnegie, Rose Tree, the Mount Airy Road Buildings, Five Sentry Parkway, Harborside, Whiteweld Centre, One Bridge Plaza and Airport Center in 1996, (iv) the net proceeds received by the Company as a result of its common stock offering of 3,450,000 shares on August 13, 1996 (the "August Offering"), (v) the net proceeds received by the Company as a result of the Company common stock offering of 17,537,500 shares on November 22, 1996 (the "November Offering"), (vi) completion by the Company of the Pre-Mack Events, (which are more fully discussed in the Company's Current Report on Form 8-K, dated September 18, 1997), (vii) completion by the Company of the Transaction (which is more fully discussed in the Company's Current Report on Form 8-K, dated September 19, 1997), and (viii) the 1997 Offering. Items (i) through (v) above are to be collectively referred to as the "1996 Events."

Such pro forma information is based upon the historical consolidated results of operations of the Company for the six months ended June 30, 1997 and for the year ended December 31, 1996, after giving effect to the transactions described above. The pro forma condensed consolidated statements of operations should be read in conjunction with the pro forma condensed consolidated balance sheet of the Company and the historical financial statements and notes thereto of the Company included in the Company's Form 10-Q for the six months ended June 30, 1997 and in the Company's Form 10-K for the year ended December 31, 1996.

The unaudited pro forma condensed consolidated statements of operations are not necessarily indicative of what the actual results of operations of the Company would have been assuming the transactions had been completed as set forth above, nor does it purport to represent the Company's results of operations for future periods.

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CALI REALTY CORPORATION

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

<TABLE> <CAPTION>						
REVENUES	COMPANY HISTORICAL	PRO FORMA ADJ. FOR PRE-MACK EVENTS	PRE-MACK EVENTS PRO FORMA	HISTORICAL THE MACK GROUP	PRO FORMA ADJ. FOR THE TRANS- ACTION AND 1997 OFFERING (G)	COMPANY PRO FORMA (M)
--						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Base rents.....	\$ 93,180	\$ 10,734 (a)	\$ 103,914	\$ 64,521	\$ 3,963 (e)	\$ 172,398
Escalations and recoveries from tenants.....	14,279	1,198 (a)	15,477	7,774	--	23,251
Parking and other.....	3,598	524 (a) (956)	4,122	5,587	-- (350)	9,709
Interest income.....	1,640	(b)	684	350	(f)	684
--						
Total revenues.....	112,697	11,500	124,197	78,232	3,613	206,042
--						
EXPENSES						
Real estate taxes.....	11,929	1,339 (a)	13,268	7,833	--	21,101
Utilities.....	7,940	939 (a)	8,879	6,782	--	15,661
Operating services.....	13,773	1,634 (a)	15,407	9,960	--	25,367
General and administrative.....	6,927	730 (a)	7,657	3,531	-- (1,661)	11,188
Depreciation and amortization....	16,844	1,873 (a)	18,717	13,717	(h)	30,773
Interest expense.....	17,152	2,058 (c)	19,210 (c)	29,975	(17,746) (i)	31,439
--						
Total expenses.....	74,565	8,573	83,138	71,798	(19,407)	135,529
--						
Income before minority interest.....	38,132	2,927	41,059	6,434	23,020	70,513
Minority interest.....	3,648	491 (d)	4,139	--	12,919 (j)	17,058
--						
Net income.....	\$ 34,484	\$ 2,436	\$ 36,920	\$ 6,434	\$ 10,101	\$ 53,455
--						
--						
Weighted average common shares outstanding (k).....	36,475					49,674
--						
Net income per common share (l).....	\$ 0.95					\$ 1.08
--						
</TABLE>						

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS)

(a) Reflects:

Revenues and expenses for the properties acquired in 1997 by the Company (as reported by the Company on previously-filed Current Reports on Form 8-K and 8-K/A) for the period January 1, 1997 through the earlier of the date of acquisition/completion or June 30, 1997, as follows:

<TABLE> <CAPTION>						
OPERATING PROPERTY/TRANSACTION (1)	ACQUISITION/ COMPLETION DATE	BASE RENTS (2)	ESCALATIONS/ RECOVERIES	OTHER INCOME	REAL ESTATE TAXES	UTILITIES

SERVICES

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1345 Campus Parkway.....	January 28, 1997	\$ 58	\$ 19	--	\$ 7	\$ 1	\$
RM Transaction.....	January 31, 1997	5,209	195	\$ 524	817	379	
Westlakes.....	May 8, 1997	3,126	866	--	258	362	
Shelton Place (4).....	July 31, 1997	982	105	--	80	138	
200 Corporate.....	August 15, 1997	386	12	--	55	5	
Three Independence.....	September 3, 1997	973	1	--	122	54	
Total Pro Forma Adj. for 1997 Events.....		\$ 10,734	\$ 1,198	\$ 524	\$ 1,339	\$ 939	\$

<CAPTION>

PROPERTY/TRANSACTION (1)	GENERAL AND ADMINISTRATIVE	DEPRECIATION (3)
<S>	<C>	<C>
1345 Campus Parkway.....	\$ 1	\$ 12
RM Transaction.....	410	864
Westlakes.....	246	607
Shelton Place (4).....	51	165
200 Corporate.....	1	85
Three Independence.....	21	140
Total Pro Forma Adj. for 1997 Events.....	\$ 730	\$ 1,873

</TABLE>

- (1) The Moorestown Buildings were vacant during 1996 and for the six months ended June 30, 1997.
- (2) Pro forma base rents are presented on a straight-line basis calculated from January 1, 1996 forward.
- (3) Depreciation is based on the building-related portion of the purchase price and associated costs depreciated using the straight-line method over a 40-year life.
- (4) Total revenues of \$444 and Revenue in excess of certain expenses of \$234 for the three months ended March 31, 1997 have been included in both the Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 1997 and year ended December 31, 1996.

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS)

- (b) Represents reduction for (i) interest income earned on investments of proceeds from the November 1996 offering (\$835) and (ii) interest income earned on the RM Mortgage Receivable as a result of the prepayment in connection with the 200 Corporate acquisition (\$121).
- (c) The Pre-Mack Events pro forma adjustment to interest expense for the six months ended June 30, 1997 reflects interest on mortgage debt assumed with certain acquisitions and additional borrowings from the Company's credit facilities to fund certain acquisitions. Pre-Mack Events pro forma interest expense for the six months ended June 30, 1997 is computed as follows:

<TABLE>

<S>

<C>

Interest expense on the Initial Mortgage Financing, after the Partial Prepayment (fixed interest rate of 8.02 percent on \$44,313; and variable rate of 30-day LIBOR plus 100 basis points on \$20,195--weighted average interest rate used is 6.60 percent).....	\$ 2,443
Interest expense on loan assumed with Fair Lawn acquisition on March 3, 1995 (fixed interest rate of 8.25 percent on average outstanding principal balance of approximately \$18,605).....	767
Interest expense on mortgages in connection with the Harborside acquisition in 1996 (fixed interest rate of 7.32 percent on \$107,912 and initial rate of 6.99 percent on \$42,088).....	5,421
Interest expense on outstanding borrowings on the Company's credit lines (a variable rate of 30-day LIBOR plus 125 basis points during the period on \$114,655; weighted average interest rate used is 6.85 percent).....	3,927
Interest expense on the Teachers Mortgage assumed with the RM Transaction on January 31, 1997 (fixed interest rate of 7.18 percent on \$185,283).....	6,652

Total Pre-Mack Events pro forma interest expense for the six months ended June 30, 1997:.....	\$ 19,210

</TABLE>

- (d) Represents Pre-Mack Events pro forma income allocated to the pro forma weighted average minority interest (Units) in Cali Realty L.P. (the Operating Partnership) for the period of 10.08 percent.
- (e) Represents adjustment necessary to reflect rental income for the Mack Properties on a straight-lined basis assuming that the Transaction was consummated as of January 1, 1996.
- (f) Represents reduction of interest income, which was recorded in the Mack Group Historical Financial Statements.
- (g) In connection with the consummation of the Transaction, the Company estimates that it will also recognize the following non-recurring charges, before minority interest, in the Company's Statements

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS)

of Operations for the period in which the Transaction is completed, which have been excluded from the Company's pro forma operating results:

<TABLE>	
<S>	<C>
Expensing of previously unamortized stock compensation recorded in connection with the Company's executive compensation plans which will vest on an accelerated basis as a result of the consummation of the Transaction.....	\$ 10,063
Related tax obligation payments (net of \$422 previously accrued)...	4,648
Additional executive compensation and bonuses to be paid only upon consummation of the Transaction.....	26,985
Amortization of the beneficial conversion feature inherent in the Preferred Units (as an allocation to minority interest) as they are immediately convertible into Common Units upon consummation of the Transaction.....	37,196

	\$ 78,892

</TABLE>

- (h) Represents adjustment to reflect depreciation expense related to the Mack Properties to be acquired by the Company based on estimated relative fair value of buildings and improvements (\$964,458) as of the date of acquisition, as follows:

<TABLE>

<CAPTION>	
<S>	
Pro forma depreciation expense.....	<C> \$ 12,056
Mack Group Historical.....	13,717

	\$ 1,661

</TABLE>

(i) Reflects reduction of interest expense relating to the Transaction. Proforma interest expense is computed as follows:

<TABLE>	
<CAPTION>	
<S>	
Interest on expected assumed debt (\$302,147) with a weighted average interest rate of 7.23 percent.....	<C> \$ 10,923
Interest on drawings on the Company's credit facilities of \$38,154 at a weighted average interest rate of 6.85 percent.....	1,306

	\$ 12,229
Mack Group Historical.....	\$ 29,975

	\$ 17,746

</TABLE>

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 1997

(IN THOUSANDS)

(j) Represents minority interest computed as follows:

<TABLE>	
<CAPTION>	
<S>	
Income before extraordinary item and minority interest.....	<C> <C> \$ 70,513
Dividend yield of 6.75 percent on the Preferred Units with a par value of \$249,656.....	\$ 8,426
Income allocable to common stockholders in the Company and unitholders in the Operating Partnership.....	\$ 62,087

Allocation to minority interest based upon weighted average percentage of Common Units outstanding of 13.90 percent.....	8,632

Total minority interest.....	17,058

Pre-Mack Events pro forma.....	4,139

	\$ 12,919

</TABLE>

(k) The following is a reconciliation of the historical weighted average shares outstanding to the pro forma primary weighted average shares outstanding (shares in thousands):

<TABLE>	
<CAPTION>	
<S>	
Historical weighted average shares outstanding.....	<C> 36,475
Shares issued in connection with the 1997 Offering.....	13,000
Vesting of 199 shares on an accelerated basis as a result of the Transaction.....	199

Pro forma weighted average shares outstanding..... 49,674

</TABLE>

(l) Fully-diluted pro forma net income per share is not presented since common stock equivalents and the Preferred Units are not dilutive.

(m) See following Estimated Pro Forma Results for Permitted Transaction Alternatives.

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CALI REALTY CORPORATION
PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)
(UNAUDITED)

		PRO FORMA ADJ. FOR	PRO FORMA ADJ. FOR	PRE-MACK	THE MACK GROUP	PRO FORMA ADJ. FOR THE TRANSACTION AND
COMPANY		1996	PRE-MACK	EVENTS	HISTORICAL	1997 OFFERING
PRO FORMA	HISTORICAL	EVENTS (A)	EVENTS (B)	PRO FORMA	(C)	(H)
(N)						
<S>		<C>	<C>	<C>	<C>	<C>
<C>						
REVENUES						
Base rents.....	\$ 76,922	\$ 49,087	\$ 76,655	\$ 202,664	\$ 128,066	\$ 7,559 (f)
\$ 338,289						
Escalations and recoveries from						
tenants.....	14,429	8,870	8,230	31,529	16,984	--
48,513						
Parking and other.....	2,204	190	4,428	6,822	3,233	--
10,055						
Interest income.....	1,917	--	(738) (c)	1,179	469	(469) (g)
1,179						
Total revenues.....	95,472	58,147	88,575	242,194	148,752	7,090
398,036						
EXPENSES						
Real estate taxes.....	9,395	5,144	11,039	25,578	15,367	--
40,945						
Utilities.....	8,138	3,313	6,619	18,070	14,143	--
32,213						
Operating Services.....	12,129	6,452	12,277	30,858	19,507	--
50,365						
General and administrative.....	5,800	3,020	4,965	13,785	7,309	--
21,094						
Depreciation and						
amortization.....	15,812	8,133	13,021	36,966	28,069	(3,958) (i)
61,077						
Interest expense.....	12,677	--	25,608 (d)	38,285 (d)	58,621	(34,206) (j)
62,700						
Total expenses.....	63,951	26,062	73,529	163,542	143,016	(38,164)
268,394						
Income before gain on sale of						
rental property, minority						
interest and extraordinary						
item.....	31,521	32,085	15,046	78,652	5,736	45,254
129,642						
Gain on sale of rental						
property.....	5,658	(5,658)	--	--	--	--
--						
Income before minority interest						
and extraordinary item.....	37,179	26,427	15,046	78,652	5,736	45,254
129,642						
Minority interest.....	4,760	--	3,263 (e)	8,023 (e)	--	24,622 (k)
32,644						

Income before extraordinary item.....	\$ 32,419	\$ 26,427	\$ 11,783	\$ 70,629	\$ 5,736	\$ 20,632
\$ 96,998						
Weighted average common shares outstanding (1).....	18,461					
49,400						
Income before extraordinary item per common share (m)....	\$ 1.76					
\$ 1.96						

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CALI REALTY CORPORATION
NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1996
(IN THOUSANDS)

(a) Reflects:

Revenues and expenses of the properties acquired in 1996 for the period January 1, 1996 through the date of acquisition, (as reported by the Company on previously-filed Current Reports on Form 8-K) as follows:

REAL ESTATE PROPERTY/TRANSACTION TAXES	ACQUIS./COMPLETION DATE	BASE RENTS (2)	ESCALATIONS/ RECOVERIES	OTHER INCOME	
<S>	<C>	<C>	<C>	<C>	<C>
Carnegie.....	March 20, 1996	\$ 386	\$ 31	--	\$
54					
Rose Tree.....	May 2, 1996	1,312	115	--	
165					
Mt. Airy Bldgs.	July 23, 1996	665	101	--	
101					
Harborside.....	November 4, 1996	30,884	7,037	\$ 166	
3,096					
Five Sentry.....	November 7, 1996	1,663	--	--	
148					
Whiteweld.....	December 10, 1996	3,890	326	--	
430					
One Bridge Plaza.....	December 16, 1996	3,597	293	--	
420					
Airport Center.....	December 17, 1996	6,953	1,004	24	
780					
Total Pro Forma Adj. for 1996 acquisitions.....		\$ 49,350	\$ 8,907	\$ 190	\$
5,194					

Revenues and expenses of the property disposed of in 1996 for the period January 1, 1996 through the date of disposition, as follows:

Essex Road.....	March 20, 1996	(263)	(37)	--	
(50)					

Reduction of expense as a result of the Partial Prepayment in 1996, for the period January 1, 1996 through the Partial Payment date, as follows:

Partial Prepayment.....	March 12, 1996	--	--	--	-
-------------------------	----------------	----	----	----	---

Total Pro Forma Adj. for 1996 Events.....	\$ 49,087	\$ 8,870	\$ 190	\$
5,144				
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

<CAPTION>

PROPERTY/TRANSACTION	UTILITIES	OPERATING SERVICES	GENERAL AND ADMINISTRATIVE	DEPRECIATION (3)
<S>	<C>	<C>	<C>	<C>
Carnegie.....	\$ 56	\$ 58	\$ 11	\$ 49
Rose Tree.....	180	179	43	215
Mt. Airy Bldgs.	--	4	51	107
Harborside.....	906	3,633	2,048	5,332
Five Sentry.....	32	325	88	246
Whiteweld.....	748	543	158	733
One Bridge Plaza.....	412	659	237	585
Airport Center.....	1,035	1,129	395	953
Total Pro Forma Adj. for 1996 acquisitions.....	\$ 3,369	\$ 6,530	\$ 3,031	\$ 8,220
Revenues and expenses of the property disposed of as follows:				
Essex Road.....	(56)	(78)	(11)	(81)
Reduction of expense as a result of the Partial Pr Payment date, as follows:				
Partial Prepayment.....	--	--	--	(6)
Total Pro Forma Adj. for 1996 Events.....	\$ 3,313	\$ 6,452	\$ 3,020	\$ 8,133

</TABLE>

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1996
(IN THOUSANDS)

(b) Reflects:

Revenues and expenses for the properties acquired in 1997 by the Company (as reported by the Company on previously-filed Current Reports on Form 8-K and 8-K/A), for the year ended December 31, 1996, as follows:

<TABLE>						
<CAPTION>						
REAL						
ESTATE						
PROPERTY/TRANSACTION (1)	AQUIS./COMPLETION	BASE	ESCALATIONS/	OTHER		
TAXES	DATE	RENTS (2)	RECOVERIES	INCOME		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1345 Campus Parkway.....	January 28, 1997	\$ 698	\$ 165	--	\$	
90						
RM Transaction.....	January 31, 1997	63,083	5,483	\$ 4,393		
9,870						
Westlakes.....	May 8, 1997	8,659	2,347	--		
610						
Shelton Place (4).....	July 31, 1997	2,180	193	--		
161						
200 Corporate.....	August 15, 1997	850	38	35		
85						
Three Independence.....	September 3, 1997	1,185	4	--		
223						
Total Pro Forma Adj. for Pre-Mack Events.....		\$ 76,655	\$ 8,230	\$ 4,428	\$	
11,039						

<CAPTION>

PROPERTY/TRANSACTION (1)	UTILITIES	OPERATING SERVICES	GENERAL AND ADMINISTRATIVE	DEPRECIATION (3)
<S>	<C>	<C>	<C>	<C>
1345 Campus Parkway.....	\$ 25	\$ 103	\$ 20	\$ 143
RM Transaction.....	4,944	9,876	3,997	10,364
Westlakes.....	1,216	1,627	772	1,734
Shelton Place (4).....	320	292	93	329
200 Corporate.....	--	146	36	170
Three Independence.....	114	233	47	281
Total Pro Forma Adj. for Pre-Mack Events.....	\$ 6,619	\$ 12,277	\$ 4,965	\$ 13,021

</TABLE>

- (1) The Moorestown Buildings were vacant during 1996.
- (2) Pro Forma base rents are presented on a straight-line basis calculated from January 1, 1996 forward.
- (3) Depreciation is based on the building-related portion of the purchase price and associated costs depreciated using the straight-line method over a 40-year life.
- (4) Revenues and certain expenses for Shelton Place reasonably reflect the operations of the property for the period April 1, 1996 through March 31, 1997. Total revenues of \$444 and Revenue in excess of certain expenses of \$234 for the three months ended March 31, 1997 have been included in both the Pro Forma Condensed Consolidated Statements of Operations for the six months ended June 30, 1997 and year ended December 31, 1996.

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1996

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

- (c) Represents reduction for interest income earned on investments of proceeds from the November 1996 Offering (\$1,463), net of additional interest income earned on the RM Mortgage Receivable (\$725).
- (d) The pro forma adjustment to interest expense for the year ended December 31, 1996 (for the Pre-Mack Events) reflects interest on mortgage debt assumed with certain acquisitions and additional borrowings from the Company's credit facilities to fund acquisitions. Pro forma interest expense for the year ended December 31, 1996 is computed as follows:

<S>	<C>
Interest expense on the Initial Mortgage Financing, after the Partial Prepayment (fixed interest rate of 8.02 percent on \$44,313 and variable rate of 30-day LIBOR plus 100 basis points on \$20,195; weighted average interest rate used is 6.46 percent).....	\$ 4,867
Interest expense on loan assumed with Fair Lawn acquisition on March 3, 1995 (fixed interest rate of 8.25 percent on average outstanding principal balance of approximately \$18,605).....	1,535
Interest expense on mortgages in connection with the Harborside acquisition on November 4, 1996 (fixed interest rate of 7.32 percent on \$107,912 and initial rate of 6.99 percent on \$42,088).....	10,841
Interest expense on outstanding borrowings on the Company's credit lines (a variable rate of 30-day LIBOR plus 125 basis points during the period on \$114,655; weighted average interest rate used is 6.75 percent).....	7,739
Interest expense on Teachers Mortgage assumed with the RM Transaction on January 31, 1997 (fixed interest rate of 7.18 percent on \$185,283).....	13,303
Pre-Mack Events pro forma interest expense for the year ended December 31, 1996.....	\$ 38,285

</TABLE>

- (e) Represents pro forma income for 1996 Events and Pre-Mack Events allocated to the pro forma weighted average minority interest (Units) in Cali Realty L.P.

(the Operating Partnership) of 10.20 percent.

- (f) Represents adjustment necessary to reflect rental income on a straight line basis assuming that the Transaction was consummated as of January 1, 1996.
- (g) Represents reduction of interest income, which was recorded in the Mack Group Historical Financial Statements.
- (h) In connection with the consummation of the Transaction, the Company estimates that it will also recognize the following non-recurring charges before minority interest in the Company's Statement of

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1996

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Operations for the period in which the Transaction is completed, which have been excluded from the Company's pro forma operating results:

<TABLE>	
<S>	
Expensing of previously unamortized stock compensation recorded in connection with the Company's executive compensation plans which will vest on an accelerated basis as a result of the consummation of the Transaction.....	\$ 10,063
Related tax obligation payments (net of \$422 previously accrued)...	4,648
Additional executive compensation and bonuses to be paid only upon consummation of the Transaction.....	26,985
Amortization of the beneficial conversion feature inherent in the Preferred Units (as an allocation to minority interest) as they are immediately convertible into Common Units upon consummation of the Transaction.....	37,196

	\$ 78,892

</TABLE>	

- (i) Represents adjustment to reflect depreciation expense related to the Mack Properties to be acquired by the Company based on estimated relative fair value of buildings and improvements (\$964,458) as of the date of acquisition as follows:

<TABLE>	
<CAPTION>	
<S>	
Pro forma depreciation expense.....	\$ 24,111
Mack Group Historical.....	28,069

	\$ 3,958

</TABLE>	

- (j) Reflects reduction of interest expense relating to the Transaction. Proforma interest expense is computed as follows:

<TABLE>	
<CAPTION>	
<S>	
Interest on expected assumed debt (\$302,147) with an estimated weighted average interest rate of 7.23 percent.....	\$ 21,845
Interest on drawings on the Company's credit facilities of \$38,154 at a weighted average interest rate of 6.75 percent.....	2,570

	24,415
Mack Group Historical.....	58,621

	\$ 34,206

</TABLE>	

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CALI REALTY CORPORATION

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1996

(k) Represents minority interest computed as follows:

<TABLE>		
<CAPTION>		
<S>		
Income before extraordinary item and minority interest.....	\$ 129,642	<C>
Dividend yield of 6.75 percent on the preferred units with a par value of \$249,656.....		\$ 16,852
Income allocable to common stockholders in the Company and unitholders in the Operating Partnership.....	\$ 112,790	

Allocation to minority interest based upon weighted average percentage of Common Units outstanding of 14.00 percent, respectively.....		15,792

Minority interest.....		32,644
Pre-Mack Events pro forma.....		8,023

		\$ 24,621

</TABLE>		

(l) The following is a reconciliation of the historical primary weighted average shares outstanding to the pro forma weighted average shares outstanding (shares in thousands):

<TABLE>		
<CAPTION>		
<S>		
Historical weighted average shares outstanding.....		18,461
Shares issued in connection with the the November 1996 offering.....		17,538
Issued in connection with the August 1996 offering.....		3,450
Adjustment for period of year during which shares issued with the 1996 offerings were outstanding.....		(3,248)
Shares issued in connection with the 1997 Offering.....		13,000
Vesting of 199 shares on an accelerated basis as a result of the Transaction.....		199

Pro forma weighted average shares outstanding.....		49,400

</TABLE>		

(m) Fully-diluted pro forma income before extraordinary item per share is not presented since common stock equivalents and the Preferred Units are not dilutive.

(n) See following Estimated Pro Forma Results for Permitted Transaction Alternatives.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 1996

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

ESTIMATED PRO FORMA RESULTS FOR PERMITTED TRANSACTION ALTERNATIVES

Consummation of the transaction is conditioned upon, among other things, the receipt by Mack of certain partner, tenant and third party consents. To the extent Mack cannot obtain such consents, Mack may eliminate certain properties from the Transaction. Such eliminated properties are not to exceed 20 percent of the aggregate value of the Mack properties.

If the maximum amount of such properties (20 percent) were excluded from the Transaction, estimated pro forma total assets, total liabilities, minority interest and stockholders' equity as of June 30, 1997 may approximate \$2,387,937, \$806,404, \$416,414 and \$1,165,119, respectively. Under the Agreement, a reduction in the purchase price due to exclusion of properties is allocated to (1) reduce debt assumed by the greater of 26 percent of the allocated purchase price for such property or the outstanding debt on such property to be assumed (assumed to be 26 percent for this pro forma), (2) reduce cash paid up to \$79,904, subject to certain elections by Mack to lower the cash reduction and take fewer Preferred and Common Units (\$79,904 cash reduction assumed for this pro forma) and (3) reduce cash paid, Preferred and Common Units by 51.5 percent, 32.3 percent and 16.2 percent of the remaining price reduction. In this situation, estimated total revenues, income before minority interest, net income and net income per common share may be \$189,673, \$68,641, \$53,138 and \$1.07, respectively for the six months ended June 30, 1997 and \$366,867, \$127,361, \$97,558 and \$1.97, respectively for the year ended December 31, 1996.

Also, as described in the Agreement, Mack may elect to further reduce the amount of cash consideration, in exchange for additional debt assumption, up to \$60,429. Such a situation would result in lower borrowings under the Company's credit facility.