

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report: **November 1, 2006**
(Date of earliest event reported)

MACK-CALI REALTY CORPORATION

(Exact name of Registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation)

1-13274
(Commission File No.)

22-3305147
(I.R.S. Employer
Identification No.)

343 Thornall Street, Edison, New Jersey 08837-2206
(Address of Principal Executive Offices) (Zip Code)

(732) 590-1000
(Registrant's telephone number, including area code)

Former Address: 11 Commerce Drive Cranford, New Jersey 07016-3501
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On November 2, 2006, Mack-Cali Realty Corporation (the "Company") issued a press release announcing its financial results for the third quarter 2006. A copy of the press release is attached hereto as Exhibit 99.2.

Item 7.01 Regulation FD Disclosure

For the quarter ended September 30, 2006, the Company hereby makes available supplemental data regarding its operations. The Company is attaching such supplemental data as Exhibit 99.1 to this Current Report on Form 8-K.

In connection with the foregoing, the Company hereby furnishes the following documents:

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

| <u>Exhibit Number</u> | <u>Exhibit Title</u> |
|-----------------------|---|
| 99.1 | Third Quarter 2006 Supplemental Operating and Financial Data. |
| 99.2 | Third Quarter 2006 earnings press release of Mack-Cali Realty Corporation dated November 2, 2006. |

The information included in this Current Report on Form 8-K (including the exhibits hereto) is being furnished under Item 2.02, "Results of Operations and Financial Condition," Item 7.01, "Regulation FD Disclosure" of Form 8-K. As such, the information (including the exhibits) herein shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. This

SIGNATURES

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

Date: November 1, 2006

MACK-CALI REALTY CORPORATION

By: /s/ MITCHELL E. HERSH

Mitchell E. Hersh
President and
Chief Executive Officer

Date: November 1, 2006

MACK-CALI REALTY CORPORATION

By: /s/ BARRY LEFKOWITZ

Barry Lefkowitz
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

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THIRD QUARTER 2006

Supplemental Operating and Financial Data

This Supplemental Operating and Financial Data is not an offer to sell or solicitation to buy any securities of the Company. Any offers to sell or solicitations of the Company shall be made by means of a prospectus. The information in this Supplemental Package must be read in conjunction with, and is modified in its entirety by, the Quarterly Report on Form 10-Q (the "10-Q") filed by the Company for the same period with the Securities and Exchange Commission (the "SEC") and all of the Company's other public filings with the SEC (the "Public Filings"). In particular, the financial information contained herein is subject to and qualified by reference to the financial statements contained in the 10-Q, the footnotes thereto and the limitations set forth therein. Investors may not rely on the Supplemental Package without reference to the 10-Q and the Public Filings. Any investors' receipt of, or access to, the information contained herein is subject to this qualification.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

The Company considers portions of this information to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of such act. Such forward-looking statements relate to, without limitation, our future economic performance, plans and objectives for future operations and projections of revenue and other financial items. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “should,” “expect,” “anticipate,” “estimate,” “continue” or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate. Although the Company believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, the Company can give no assurance that such expectations will be achieved. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Among the factors about which the Company has made assumptions are:

- changes in the general economic climate and conditions, including those affecting industries in which the Company’s principal tenants compete;
- the extent of any tenant bankruptcies or of any early lease terminations;
- the Company’s ability to lease or re-lease space at current or anticipated rents;
- changes in the supply of and demand for office, office/flex and industrial/warehouse properties;
- changes in interest rate levels;
- changes in operating costs;
- the Company’s ability to obtain adequate insurance, including coverage for terrorist acts;
- the availability of financing;
- changes in governmental regulation, tax rates and similar matters; and
- other risks associated with the development and acquisition of properties, including risks that the development may not be completed on schedule, that the tenants will not take occupancy or pay rent, or that development or operating costs may be greater than anticipated.

For further information on factors which could impact us and the statements contained herein, you are advised to consider the “Risk Factors” contained in the Company’s Annual Report on Form 10-K, as may be supplemented or amended in the Company’s Quarterly Reports on Form 10-Q, which are incorporated herein by reference. The Company assumes no obligation to update and supplement forward-looking statements that become untrue because of subsequent events.

I. COMPANY BACKGROUND

About the Company

Mack-Cali Realty Corporation (NYSE: CLI) is one of the largest real estate investment trusts (REITs) in the United States with a total market capitalization of \$6.5 billion at September 30, 2006. Mack-Cali has been involved in all aspects of commercial real estate development, management and ownership for over 50 years and has been a publicly-traded REIT since 1994. Mack-Cali owns or has interests in 321 properties, primarily class A office and office/flex buildings, totaling approximately 36.1 million square feet, serving as home to approximately 2,600 tenants. The properties are located primarily in suburban markets of the Northeast, many with adjacent, Company-controlled developable land sites able to accommodate up to 11.3 million square feet of additional commercial space.

History

Established over 50 years ago, in 1994 the New Jersey-based firm, Cali Realty, became a publicly-traded company listed on the New York Stock Exchange under the ticker symbol CLI. Through combinations with some of the top companies in the real estate industry—most notably New Jersey-based Mack Company and Westchester, New York-based Robert Martin Company—Mack-Cali has become one of the leading real estate companies in the country.

Strategy

Mack-Cali’s strategy is to be a significant real estate owner and operator in its core, high-barriers-to-entry markets, primarily in the Northeast.

Summary

(as of September 30, 2006)

| | |
|------------------------|--|
| Corporate Headquarters | Edison, New Jersey |
| Fiscal Year-End | 12/31 |
| Total Properties | 321 |
| Total Square Feet | 36.1 million square feet |
| Geographic Diversity | Nine states and the District of Columbia |

| | |
|-------------------------------------|--|
| New Jersey Presence | 22.6 million square feet |
| Northeast Presence | 32.7 million square feet |
| Common Shares and Units Outstanding | |
| Dividend— Quarter/Annualized | \$0.64/\$2.56 |
| Dividend Yield | 4.9% |
| Total Market Capitalization | \$6.5 billion |
| Senior Debt Rating | BBB (S&P and Fitch); Baa2 (Moody's) |

Board of Directors

William L. Mack, *Chairman of the Board*

| | |
|-----------------------|---------------------|
| Alan S. Bernikow | Alan G. Philibosian |
| John R. Cali | Irvin D. Reid |
| Kenneth M. Duberstein | Vincent Tese |
| Nathan Gantcher | Robert F. Weinberg |
| Mitchell E. Hersh | Roy J. Zuckerberg |
| David S. Mack | |

Executive Officers

Mitchell E. Hersh, *President and Chief Executive Officer*

Barry Lefkowitz, *Executive Vice President and Chief Financial Officer*

Roger W. Thomas, *Executive Vice President, General Counsel and Secretary*

Michael A. Grossman, *Executive Vice President*

Mark Yeager, *Executive Vice President*

Equity Research Coverage

Banc of America Securities, LLC

John P. Kim / Ross Nussbaum
(212) 847-5761 / (212) 847-5668

Bear, Stearns & Co., Inc.

Ross Smotrich
(212) 272-8046

Citigroup

Jonathan Litt
(212) 816-0231

Deutsche Bank-North America

Louis Taylor
(212) 250-4912

Goldman Sachs

Jonathan Habermann
(917) 343-4260

Green Street Advisors

Jim Sullivan / Michael Knott
(949) 640-8780

Keybank Capital Markets / McDonald Investment

Jordan Sadler
(917) 368-2280

Lehman Brothers

David Harris
(212) 526-1790

Merrill Lynch

Ian Weissman
(212) 449-6255

Miller Tabak & Co., LLC

Thomas Mitchell
(212) 370-0040

Morgan Stanley

David Cohen
(212) 761-6709

Ryan Beck & Co

Sheila K. McGrath
(973) 549-4084

Stifel Nicolaus & Company, Inc.

John Guinee
(410) 454-5520

Wachovia Securities

Christopher Haley
(443) 263-6773

Company Contact Information

II. FINANCIAL HIGHLIGHTS

Quarterly Summary

The following is a summary of the Company's recent activity:

Net income available to common shareholders for the third quarter 2006 equaled \$16.0 million, or \$0.26 per share, versus \$20.6 million, or \$0.33 per share, for the same quarter last year. For the nine months ended September 30, 2006, net income available to common shareholders equaled \$75.2 million, or \$1.20 per share, versus \$79.1 million, or \$1.29 per share, for the same period last year.

Funds from operations (FFO) available to common shareholders for the quarter ended September 30, 2006 amounted to \$67.1 million, or \$0.86 per share, versus \$66.7 million, or \$0.88 per share, for the quarter ended September 30, 2005. For the nine months ended September 30, 2006, FFO available to common shareholders amounted to \$222.3 million, or \$2.86 per share, versus \$205.2 million, or \$2.71 per share, for the same period last year.

Total revenues for the third quarter 2006 increased 31.8 percent to \$203.2 million as compared to \$154.2 million for the same quarter last year. For the nine months ended September 30, 2006, total revenues amounted to \$542.1 million, an increase of 21.3 percent over total revenues of \$446.8 million, for the same period last year.

All per share amounts presented above are on a diluted basis.

The Company had 62,551,206 shares of common stock, 10,000 shares of 8 percent Series C cumulative redeemable perpetual preferred stock (\$25,000 liquidation value per share), and 15,595,825 common operating partnership units outstanding as of September 30, 2006.

The Company had a total of 78,147,031 common shares/common units outstanding at September 30, 2006.

As of September 30, 2006, the Company had total indebtedness of approximately \$2.4 billion, with a weighted average annual interest rate of 6.07 percent. The Company had a total market capitalization of \$6.5 billion and a debt-to-undepreciated assets ratio of 45.0 percent at September 30, 2006. The Company had an interest coverage ratio of 2.9 times for the quarter ended September 30, 2006.

Acquisitions

In July, the Company acquired 395 West Passaic Street, a four-story, 100,589 square-foot, class A office building, located in Rochelle Park, New Jersey for approximately \$21 million. 395 West Passaic Street is 90.2 percent leased.

Property Sales

In August, the Company signed contracts to sell its entire property and land portfolio in suburban Denver and Colorado Springs. The portfolio, which consists of 19 office buildings totaling 1.4 million square feet, plus 7.1 acres of vacant land and 1.6 acres of land dedicated to a parking facility, is being sold to Westcore Properties for approximately \$195.3 million.

In September, the Company entered into agreements to sell its ownership interests in three properties in San Francisco for a total of approximately \$167 million. Upon completion, the sales will mark the Company's exit of the San Francisco market, in accordance with its capital recycling program and portfolio strategy.

The San Francisco sales transactions are as follows:

- Mack-Cali has entered into a contract to sell 760 Market Street and 795 Folsom Street in San Francisco to Westcore Properties for an aggregate price of approximately \$126 million. 760 Market Street is an 11-story, 267,446 square-foot class A office building that is 78.2 percent leased; and 795 Folsom Street is a six-story, 183,445 square-foot class A office building that is 96.0 percent leased.
- Mack-Cali has entered into an agreement in principle to sell substantially all of its 50-percent ownership interest in Convention Plaza in San Francisco, based on a total building valuation of approximately \$82 million. Convention Plaza is a 12-story, 305,618 square-foot class A office building. The interest will be sold to an entity related to The ADCO Group. A different entity related to The ADCO Group is Mack-Cali's current joint venture partner in the project. Located at 201 Third Street, Convention Plaza is 83.9 percent leased.

Both transactions are expected to close in the fourth quarter.

Dividends

In June, the Company's Board of Directors declared an increased cash dividend of \$0.64 per common share (indicating an annual rate of \$2.56 per common share) for the third quarter 2006. The annualized dividend rate of \$2.56 per common share represents a 1.6 percent increase from the previous annualized dividend of \$2.52 per common share. The dividend was paid on October 16, 2006 to shareholders of record as of October 4, 2006.

The Board also declared a cash dividend on its 8 percent Series C cumulative redeemable perpetual preferred stock (\$25 liquidation value per depositary share, each representing 1/100th of a share of preferred stock) equal to \$0.50 per depositary share for the period July 15, 2006 through October 14, 2006. The dividend was paid on October 16, 2006 to shareholders of record as of October 4, 2006.

Leasing

Mack-Cali's consolidated in-service portfolio was 91.4 percent leased at September 30, 2006, as compared to 90.7 percent leased at June 30, 2006.

For the quarter ended September 30, 2006, the Company executed 172 leases totaling 966,273 square feet, consisting of 843,542 square feet of office space, 121,381 square feet of office/flex space and 1,350 square feet of industrial/warehouse space. Of these totals, 286,651 square feet were for new leases and 679,622 square feet were for lease renewals and other tenant retention transactions.

Highlights of the quarter's leasing transactions include:

IN NORTHERN NEW JERSEY:

- DB Services New Jersey, Inc., a facilities arm of international bank Deutsche Bank, renewed its lease for 90,000 square feet and expanded by 191,920 square feet for approximately 10 years at Harborside Financial Center, Plaza I in Jersey City, New Jersey. The 400,000 square-foot office building is 92.8 percent leased.
- Kiewit Construction Company, a civil construction contractor, signed a new eight-year lease for 26,500 square feet at 470 Chestnut Ridge Road in Woodcliff Lake, New Jersey. The 52,500 square-foot office building is 81.2 percent leased.
- Electronics for Imaging, Inc., a provider of printing technology products and services, signed a five-year renewal for 11,960 square feet at 4 Gatehall Drive in Parsippany, New Jersey.
- Also at 4 Gatehall Drive, Natrel Communications, Inc., a marketing firm, signed a new, three-year lease for 10,440 square feet. 4 Gatehall Drive is a 248,480 square-foot office building and is 77.1 percent leased.

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- Starr, Gern, Davison & Rubin P.C., a law firm, signed a new, 10-year and two month lease for 11,294 square feet at 105 Eisenhower Parkway in Roseland, New Jersey. Located in the Eisenhower/280 Corporate Center, 105 Eisenhower Parkway is a 220,000 square-foot office building and is 85.8 percent leased.

IN CENTRAL NEW JERSEY:

- DeVine Corporation, a tableware distributor, renewed its lease for 16,524 square feet for five years at 1345 Campus Parkway in Wall Township, New Jersey. 1345 Campus Parkway is a 76,300 square-foot office/flex building located in Monmouth Shores Corporate Park and is 100 percent leased.
- Wells Fargo Home Mortgage, Inc., a subsidiary of financial services provider Wells Fargo & Company, renewed its lease for 14,379 square feet at 343 Thornall Street in Edison, New Jersey for three years. 343 Thornall Street is a 195,709 square-foot office building and is 96.8 percent leased.

IN WESTCHESTER COUNTY, NEW YORK:

- Hypres, Inc., an electronics company, renewed its lease for 17,200 square feet at 175 Clearbrook Road in Elmsford, New York for a term of four years and seven months. 175 Clearbrook Road is a 98,900 square-foot office/flex building and is 100 percent leased.
- Argus Information and Advisory Services, LLC, a management consulting and information services firm, signed a new, 10-year lease for 16,932 square feet at 50 Main Street in White Plains, New York. Located in the Westchester Financial Center, 50 Main Street is a 309,000 square-foot office building and is 99.3 percent leased.

IN FAIRFIELD COUNTY, CONNECTICUT:

- South Beach Beverage Company (SoBe), a division of Pepsi-Cola North America, renewed its lease of 21,181 square feet at 40 Richards Avenue in Norwalk, Connecticut for four years.
- Also at 40 Richards Avenue, HQ Global Workplaces, LLC, a provider of temporary office suites, signed a new lease for 14,459 square feet for 11 years and six months. 40 Richards Avenue is a 145,487 square-foot office building and is 79.6 percent leased.
- HQ Global Workplaces, LLC also signed a new lease for 19,190 square feet at 1266 East Main Street in Stamford, Connecticut for a term of 11 years and six months. 1266 East Main Street is a 179,260 square-foot office building and is 81.3 percent leased.

IN SUBURBAN PHILADELPHIA:

- Brinker Capital, Inc., an investment services provider, signed for a total of 32,469 square feet at 1055 Westlakes Drive in Berwyn, Pennsylvania. The transaction represented a 10-year expansion of 12,869 square feet and 44-month renewal of 19,600 square feet. 1055 Westlakes Drive is a 118,487 square-foot office building, located in the Westlakes Corporate Park, and is 96.8 percent leased.
- The University of Pennsylvania Health System, on behalf of Home Care and Hospice Services, signed a new seven-year lease for 21,306 square feet at 150 Monument Road in Bala Cynwyd, Pennsylvania. 150 Monument Road is a 125,783 square-foot office building and is 98.4 percent leased.

IN WASHINGTON, DC/MARYLAND

- Gryphon Technologies, a systems integration, engineering and information technology company, signed a new, five-year and five-month lease for 14,159 square feet at 6301 Ivy Lane in Greenbelt, Maryland. 6301 Ivy Lane, located in Capital Office Park, is a 112,003 square-foot office building and is 83.7 percent leased.

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Information About FFO

Funds from operations (“FFO”) is defined as net income (loss) before minority interest of unitholders, computed in accordance with generally accepted accounting principles (“GAAP”), excluding gains (or losses) from extraordinary items and sales of depreciable rental property (which the Company believes includes unrealized losses on properties held for sale), plus real estate-related depreciation and amortization. The Company believes that FFO per share is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that by excluding the effect of depreciation and gains (or losses) from sales of properties (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO per share can facilitate comparison of operating performance between equity REITs. FFO per share should not be considered as an alternative to net income per share as an indication of the Company’s performance or to cash flows as a measure of liquidity. FFO per share presented herein is not necessarily comparable to FFO per share presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company’s FFO per share is comparable to the FFO per share of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts (“NAREIT”). A reconciliation of net income per share to FFO per share is included in the financial tables on page 28.

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Key Financial Data

| | <u>As of or for the three months ended</u> | | | | |
|---|--|----------------|----------------|-----------------|----------------|
| | <u>9/30/06</u> | <u>6/30/06</u> | <u>3/31/06</u> | <u>12/31/05</u> | <u>9/30/05</u> |
| Shares and Units: | | | | | |
| Common Shares Outstanding | 62,551,206 | 62,360,388 | 62,230,447 | 62,019,646 | 61,852,908 |
| Common Units Outstanding (a) | 15,595,825 | 15,681,625 | 15,558,056 | 13,650,439 | 13,727,439 |
| Combined Shares and Units | 78,147,031 | 78,042,013 | 77,788,503 | 75,670,085 | 75,580,347 |
| Preferred Shares Outstanding | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Weighted Average- Basic (b) | 77,944,623 | 77,780,362 | 76,317,652 | 75,414,000 | 75,364,526 |
| Weighted Average- Diluted (c) | 78,258,441 | 78,067,030 | 76,641,973 | 75,798,543 | 75,760,678 |
| Common Share Price (\$'s): | | | | | |
| At the end of the period | 51.80 | 45.92 | 48.00 | 43.20 | 44.94 |
| High during period | 53.66 | 47.47 | 48.37 | 44.80 | 48.25 |
| Low during period | 45.47 | 42.17 | 42.34 | 40.21 | 43.22 |
| Market Capitalization: | | | | | |
| <i>(\$'s in thousands, except ratios)</i> | | | | | |
| Market Value of Equity (d) | 4,075,120 | 3,610,858 | 3,758,848 | 3,293,948 | 3,421,581 |
| Total Debt | 2,445,837 | 2,367,609 | 2,107,760 | 2,126,181 | 2,012,160 |
| Total Market Capitalization | 6,520,957 | 5,978,467 | 5,866,608 | 5,420,129 | 5,433,741 |
| Total Debt/ Total Market Capitalization | 37.51% | 39.60% | 35.93% | 39.23% | 37.03% |
| Financials: | | | | | |
| <i>(\$'s in thousands, except ratios and per share amounts)</i> | | | | | |
| Total Assets | 4,668,761 | 4,622,422 | 4,314,965 | 4,247,502 | 4,157,504 |
| Gross Book Value of Real Estate Assets | 4,839,677 | 4,792,269 | 4,653,867 | 4,491,752 | 4,470,989 |
| Total Liabilities | 2,698,445 | 2,626,066 | 2,316,804 | 2,335,396 | 2,218,179 |
| Total Minority Interests | 483,055 | 491,761 | 485,581 | 400,819 | 408,515 |
| Total Stockholders’ Equity | 1,487,261 | 1,504,595 | 1,512,580 | 1,511,287 | 1,530,810 |
| Total Revenues | 203,217 | 184,951 | 153,967 | 153,059 | 154,152 |
| Capitalized Interest | 1,719 | 1,571 | 1,487 | 1,459 | 1,437 |
| Scheduled Principal Payments | 3,912 | 4,189 | 3,842 | 4,997 | 5,278 |
| Interest Coverage Ratio | 2.87 | 3.23 | 3.57 | 3.14 | 3.21 |
| Fixed Charge Coverage Ratio | 2.45 | 2.71 | 3.00 | 2.55 | 2.62 |
| Net Income | 16,511 | 27,134 | 33,097 | 14,901 | 21,104 |
| Net Income Available to Common Shareholders | 16,011 | 26,634 | 32,597 | 14,401 | 20,604 |
| Earnings per Share—diluted | 0.26 | 0.43 | 0.52 | 0.23 | 0.33 |
| FFO per Share—diluted (e) | 0.86 | 0.95 | 1.05 | 0.86 | 0.88 |
| Dividends Declared per Share | 0.64 | 0.63 | 0.63 | 0.63 | 0.63 |
| FFO Payout Ratio—diluted (e) | 74.64% | 66.09% | 59.78% | 73.31% | 71.58% |
| Portfolio Size: | | | | | |
| Properties | 321 | 319 | 277 | 270 | 271 |
| Total Square Footage | 36,066,424 | 35,826,085 | 30,874,247 | 30,031,989 | 30,165,732 |
| Sq. Ft. Leased at End of Period (f) (g) | 91.4% | 90.7% | 90.4% | 91.0% | 90.0% |

(a) Includes any outstanding preferred units presented on a converted basis into common units.

(b) Calculated based on weighted average common shares outstanding, assuming redemption of operating partnership common units into common shares.

(c) Calculated based on shares and units included in basic per share/unit computation, plus dilutive Common Stock Equivalents (i.e. convertible preferred units, options and warrants).

(d) Includes any outstanding preferred units presented on a converted basis into common units and minority interests in partially-owned properties.

(e) Funds from Operations (“FFO”) is calculated in accordance with the definition of the National Association of Real Estate Investment Trusts (NAREIT). See “Information About FFO” on page 12.

(f) Percentage leased includes leases in effect as of the period end date, some of which have commencement dates in the future (including, at September 30, 2006, a lease with commencement date substantially in the future consisting of 15,125 square feet scheduled to commence in 2009), and leases that expire at the period end date.

(g) Reflects square feet leased at the Company’s consolidated in-service portfolio, excluding in-service development properties in lease up (if any).

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Same Store Results and Analysis
(dollars in thousands)

| | For the three months ended September 30, | | Change | % Change |
|-------------------------------------|---|------------|----------|-------------|
| | 2006 | 2005 | | |
| Total Property Revenues | \$ 158,015 | \$ 148,465 | \$ 9,550 | 6.4 |
| Real Estate Taxes | 21,396 | 19,708 | 1,688 | 8.6 |
| Utilities | 17,740 | 15,760 | 1,980 | 12.6 |
| Operating Services | 19,927 | 18,617 | 1,310 | 7.0 |
| Total Property Expenses: | 59,063 | 54,085 | 4,978 | 9.2 |
| GAAP Net Operating Income | 98,952 | 94,380 | 4,572 | 4.8 |
| Less: straight-lining of rents adj. | 3,154 | 2,355 | 799 | 33.9 |
| Net Operating Income | \$ 95,798 | \$ 92,025 | \$ 3,773 | 4.1 |
| Percentage Leased at Period End | 91.5% | 90.3% | | |
| Total Properties: | 240 | | | |
| Total Square Footage: | 27,169,175 | | | |

| | For the nine months ended September 30, | | Change | % Change |
|-------------------------------------|--|------------|------------|-------------|
| | 2006 | 2005 | | |
| Total Property Revenues | \$ 426,649 | \$ 413,307 | \$ 13,342 | 3.2 |
| Real Estate Taxes | 58,737 | 53,764 | 4,973 | 9.2 |
| Utilities | 41,790 | 37,150 | 4,640 | 12.5 |
| Operating Services | 55,404 | 53,212 | 2,192 | 4.1 |
| Total Property Expenses: | 155,931 | 144,126 | 11,805 | 8.2 |
| GAAP Net Operating Income | 270,718 | 269,181 | 1,537 | 0.6 |
| Less: straight-lining of rents adj. | 11,513 | 6,063 | 5,450 | 89.9 |
| Net Operating Income | \$ 259,205 | \$ 263,118 | \$ (3,913) | (1.5) |
| Percentage Leased at Period End | 91.0% | 89.8% | | |
| Total Properties: | 238 | | | |
| Total Square Footage: | 25,572,892 | | | |

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Unconsolidated Joint Ventures Summary

Breakdown of Unconsolidated Joint Ventures

| Joint Venture Name | Property | Number of Buildings | Location | Percent Leased | Square Feet | Company's Effective Ownership % |
|--------------------------------------|--|---------------------|---------------------------------|----------------|-------------|---------------------------------|
| Office Properties: | | | | | | |
| G&G Martco | Convention Plaza | 1 | San Francisco, CA | 86.7% | 305,618 | 50.0% |
| Red Bank Corporate Plaza | Red Bank Corporate Plaza (a) | 1 | Red Bank, NJ | 100.0% | 92,878 | 50.0% |
| Mack-Green-Gale | Belmead Portfolio | 25 | New Jersey/Michigan | 78.0% | 3,446,596 | 50.0% |
| Route 93 Ventures | Route 495 North Sub Market | 7 | Boston Suburbs, MA | 51.6% | 666,700 | 25.0% |
| Gale Kimball L.L.C. | 100 Kimball Drive (b) | 1 | Parsippany, NJ | — | 175,000 | 8.33% |
| 12 Vreeland Realty L.L.C. | 12 Vreeland Road | 1 | Florham Park, NJ | 100.0% | 139,750 | 50.0% |
| Office/Flex Properties: | | | | | | |
| Ramland Realty Associates, L.L.C. | One Ramland Road | 1 | Orangeburg, NY | 65.9% | 232,000 | 50.0% |
| Mixed-Use: | | | | | | |
| Meadowlands Mills/Mack-Cali, LP | Meadowlands Xanadu (c) | n/a | East Rutherford, NJ | n/a | n/a | 20.0% |
| GE/Gale Funding L.L.C. | Princeton Forrestal Village | n/a | Princeton, NJ | 87.6% | 527,015 | 10.0% |
| Hotel: | | | | | | |
| Harborside South Pier | Hyatt Regency Jersey City on the Hudson | 1 | Jersey City, NJ | n/a | 350 rooms | 50.0% |
| Land: | | | | | | |
| Plaza VIII and IX Associates, L.L.C. | Vacant land/parking | n/a | Jersey City, NJ | n/a | n/a | 50.0% |
| 55 Corporate Partners L.L.C. | Condominium | | | | | |
| Red Bank Corporate Plaza II | Interest Vacant Land Vacant Land | n/a | Bridgewater, NJ Red Bank, NJ | n/a | n/a | 50.0% 50.0% |

(a) The Company is developing a 92,878 square foot fully-leased office building for the venture.

- (b) The Venture is developing a 175,000 square foot office building.
- (c) The venture is developing a family entertainment and recreation complex with an office and hotel component at the Meadowlands sports complex in East Rutherford, New Jersey ("Meadowlands Xanadu"). Meadowlands Xanadu's approximately 4.76 million square-foot complex is expected to feature a family entertainment destination comprising three themed zones: sports/recreation, children's activities and fashion, in addition to four office buildings, aggregating approximately 1.8 million square feet, and a 520-room hotel.

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Unconsolidated Joint Venture Financial Information

The following is a summary of the financial position of the unconsolidated joint ventures in which the Company had investment interests as of September 30, 2006 and December 31, 2005 (*dollars in thousands*):

| | September 30, 2006 | | | | | | | | | | | | |
|--|--------------------|------------|----------------------------|----------------|-----------------------|--------------------------|------------|----------|--------------------|--------------|--------------|-----------|----------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Harborside South Pier | Red Bank Corporate Plaza | Mack Green | PFV | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | Combined Total |
| Assets: | | | | | | | | | | | | | |
| Rental property, net | \$ 425,431 | \$ 9,860 | \$ 11,558 | \$ 12,189 | \$ 70,462 | \$ 9,446 | \$503,696 | \$31,356 | \$ 54,292 | \$ 23,780 | — | \$ 8,287 | \$1,160,357 |
| Other assets | 178,253 | 7,155 | 1,177 | 1,234 | 12,074 | 936 | 35,499 | 26,060 | 7,274 | 653 | — | 920 | 271,235 |
| Total assets | \$ 603,684 | \$17,015 | \$ 12,735 | \$ 13,423 | \$ 82,536 | \$ 10,382 | \$539,195 | \$57,416 | \$ 61,566 | \$ 24,433 | — | \$ 9,207 | \$1,431,592 |
| Liabilities and partners' / members' capital (deficit): | | | | | | | | | | | | | |
| Mortgages, loans payable and other obligations | — | \$47,363 | — | \$ 14,936 | \$ 48,170 | — | \$358,495 | \$39,344 | \$ 39,435 | \$ 12,529 | — | \$ 10,684 | \$ 570,956 |
| Other Liabilities | \$ 40,682 | 1,027 | \$ 530 | 355 | 6,059 | \$ 1,350 | 18,937 | 7,072 | 956 | — | — | — | 76,968 |
| Partners' / members' capital (deficit) | 563,002 | (31,375) | 12,205 | (1,868) | 28,307 | 9,032 | 161,763 | 11,000 | 21,175 | 11,904 | — | (1,477) | 783,668 |
| Total liabilities and partners' / members' capital (deficit) | \$ 603,684 | \$17,015 | \$ 12,735 | \$ 13,423 | \$ 82,536 | \$ 10,382 | \$539,195 | \$57,416 | \$ 61,566 | \$ 24,433 | — | \$ 9,207 | \$1,431,592 |
| Company's investment in unconsolidated joint ventures, net | \$ 34,420 | \$ 5,708 | \$ 6,022 | — | \$ 16,716 | \$ 4,744 | \$112,463 | \$ 2,718 | \$ 6,524 | \$ 1,006 | \$ 8,500 | \$ 6,952 | \$ 205,773 |

| | December 31, 2005 | | | | | | | | | | | | |
|--|--------------------|------------|----------------------------|----------------|-----------------------|--------------------------|------------|-----|--------------------|--------------|--------------|----------|----------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Harborside South Pier | Red Bank Corporate Plaza | Mack Green | PFV | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | Combined Total |
| Assets: | | | | | | | | | | | | | |
| Rental property, net | \$ 390,488 | \$10,628 | \$ 12,024 | \$ 12,511 | \$ 74,466 | — | — | — | — | — | — | — | \$ 500,117 |
| Other assets | 171,029 | 6,427 | 1,661 | 1,188 | 11,393 | — | — | — | — | — | — | — | 191,698 |
| Total assets | \$ 561,517 | \$17,055 | \$ 13,685 | \$ 13,699 | \$ 85,859 | — | — | — | — | — | — | — | \$ 691,815 |
| Liabilities and partners' / members' capital (deficit): | | | | | | | | | | | | | |
| Mortgages, loans payable and other obligations | — | \$46,588 | — | \$ 14,936 | \$ 56,970 | — | — | — | — | — | — | — | \$ 118,494 |
| Other Liabilities | \$ 60,447 | 876 | \$ 1,358 | 220 | 4,341 | — | — | — | — | — | — | — | 67,242 |
| Partners' / members' capital (deficit) | 501,070 | (30,409) | 12,327 | (1,457) | 24,548 | — | — | — | — | — | — | — | 506,079 |
| Total liabilities and partners' / members' capital (deficit) | \$ 561,517 | \$17,055 | \$ 13,685 | \$ 13,699 | \$ 85,859 | — | — | — | — | — | — | — | \$ 691,815 |
| Company's investment in unconsolidated joint ventures, net | \$ 34,640 | \$ 6,438 | \$ 6,084 | — | \$ 14,976 | — | — | — | — | — | — | — | \$ 62,138 |

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The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the three months ended September 30, 2006 and 2005 (*dollars in thousands*):

| | Three Months Ended September 30, 2006 | | | | | | | | | | | | | |
|--|---------------------------------------|------------|----------------------------|----------------|--------------|-----------------------|--------------------------|------------|----------|--------------------|--------------|--------------|----------|----------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Ashford Loop | Harborside South Pier | Red Bank Corporate Plaza | Mack Green | PFV | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | Combined Total |
| Total revenues | \$ 110 | \$ 1,703 | \$ 167 | \$ 518 | — | \$ 9,926 | — | \$15,002 | \$2,194 | \$ 1,970 | \$ 3 | — | \$ 156 | \$ 31,749 |
| Operating and other expenses | (2,578) | (999) | (62) | (391) | — | (6,015) | — | (7,578) | (1,694) | (590) | (1) | — | (64) | (19,972) |
| Depreciation and amortization | — | (363) | (154) | (167) | — | (1,460) | — | (5,841) | (695) | (349) | — | — | (29) | (9,058) |
| Interest expense | — | (845) | — | (267) | — | (893) | — | (6,629) | (795) | (761) | — | — | — | (10,190) |
| Net income | \$ (2,468) | \$ (504) | \$ (49) | \$ (307) | — | \$ 1,558 | — | \$ (5,046) | \$ (990) | \$ 270 | \$ 2 | — | \$ 63 | \$ (7,471) |
| Company's equity in earnings (loss) of unconsolidated joint ventures | \$ (1,876) | \$ (409) | \$ (24) | \$ (225) | — | \$ 639 | — | \$(2,749) | \$ (211) | \$ 67 | — | — | \$ 31 | \$ (4,757) |

| | Three Months Ended September 30, 2005 | | | | | | | | | | | | | |
|--|---------------------------------------|------------|----------------------------|----------------|--------------|-----------------------|--------------------------|------------|-----|--------------------|--------------|--------------|----------|----------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Ashford Loop | Harborside South Pier | Red Bank Corporate Plaza | Mack Green | PFV | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | Combined Total |
| Total revenues | — | \$ 1,796 | \$ 94 | \$ 486 | — | \$ 9,045 | — | — | — | — | — | — | — | \$ 11,421 |
| Operating and other expenses | — | (948) | (37) | (381) | — | (5,848) | — | — | — | — | — | — | — | (7,214) |
| Depreciation and amortization | — | (315) | (154) | (160) | — | (1,300) | — | — | — | — | — | — | — | (1,929) |
| Interest expense | — | (604) | — | (198) | — | (1,084) | — | — | — | — | — | — | — | (1,886) |
| Net income | — | \$ (71) | \$ (97) | \$ (253) | — | \$ 813 | — | — | — | — | — | — | — | \$ 392 |
| Company's equity in earnings (loss) of unconsolidated joint ventures | — | \$ (35) | \$ (49) | — | — | \$ 406 | — | — | — | — | — | — | — | \$ 322 |

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The following is a summary of the results of operations of the unconsolidated joint ventures for the period in which the Company had investment interests during the nine months ended September 30, 2006 and 2005 (*dollars in thousands*):

| | Nine Months Ended September 30, 2006 | | | | | | | | | | | | | |
|--|--------------------------------------|------------|----------------------------|----------------|--------------|-----------------------|--------------------------|------------|-----------|--------------------|--------------|--------------|----------|----------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Ashford Loop | Harborside South Pier | Red Bank Corporate Plaza | Mack Green | PFV | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | Combined Total |
| Total revenues | \$ 409 | \$ 5,351 | \$ 489 | \$ 1,533 | — | \$ 27,529 | — | \$ 24,469 | \$ 6,585 | \$ 2,528 | \$ 3 | — | \$ 156 | \$ 69,052 |
| Operating and other expenses | (2,729) | (2,880) | (150) | (1,095) | — | (16,651) | — | (11,354) | (4,410) | (847) | (1) | — | (64) | (40,181) |
| Depreciation and amortization | — | (1,075) | (462) | (543) | — | (4,369) | — | (9,219) | (2,116) | (465) | — | — | (29) | (18,278) |
| Interest expense | — | (2,362) | — | (756) | — | (2,750) | — | (10,219) | (2,178) | (1,002) | — | — | — | (19,267) |
| Net income | \$ (2,320) | \$ (966) | \$ (123) | \$ (861) | — | \$ 3,759 | — | \$ (6,323) | \$(2,119) | \$ 214 | \$ 2 | — | \$ 63 | \$ (8,674) |
| Company's equity in earnings (loss) of unconsolidated joint ventures | \$ (1,876) | \$ (731) | \$ (61) | \$ (225) | — | \$ 1,740 | — | \$ (4,009) | \$ (278) | \$ 53 | — | — | \$ 31 | \$ (5,356) |

| | Nine Months Ended September 30, 2005 | | | | | | | | | | | | | | Combined Total |
|---|--------------------------------------|---------------|----------------------------------|-------------------|-----------------|--------------------------|----------|---|---|-----------------------|-----------------|-----------------|----------|---|-------------------|
| | Meadowlands Xanadu | G&G Martco | Plaza VIII & IX Associates | Ramland Realty | Ashford Loop | Harborside South Pier | Red Bank | | | Route 93 Portfolio | Gale Kimball | 55 Corporate | Vreeland | | |
| Total revenues | — | \$ 4,945 | \$ 222 | \$ 1,519 | \$ 405 | \$ 24,932 | — | — | — | — | — | — | — | — | \$ 32,023 |
| Operating and other expenses | — | (2,685) | (133) | (1,047) | (397) | (15,673) | — | — | — | — | — | — | — | — | (19,935) |
| Depreciation and amortization | — | (861) | (462) | (478) | (160) | (4,184) | — | — | — | — | — | — | — | — | (6,145) |
| Interest expense | — | (1,592) | — | (540) | — | (3,091) | — | — | — | — | — | — | — | — | (5,223) |
| Net income | — | \$ (193) | \$ (373) | \$ (546) | \$ (152) | \$ 1,984 | — | — | — | — | — | — | — | — | \$ 720 |
| Company's equity in earnings (loss) of unconsolidated joint ventures | — | \$ (280) | \$ (187) | — | \$ (30) | \$ 1,049 | — | — | — | — | — | — | — | — | \$ 552 |

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Select Financial Ratios

Ratios Computed For Industry Comparisons:

Financial Position Ratios:

| | September 30, | |
|--|---------------|---------|
| | 2006 | 2005 |
| Total Debt/ Total Book Capitalization (Book value) (%) | 52.39 % | 48.40 % |
| Total Debt/ Total Market Capitalization (Market value) (%) | 37.51 % | 37.03 % |
| Total Debt/ Total Unde depreciated Assets (%) | 45.03 % | 41.49 % |
| Secured Debt/ Total Unde depreciated Assets (%) | 6.63 % | 8.20 % |

Operational Ratios:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------|------------------------------------|---------|
| | 2006 | 2005 | 2006 | 2005 |
| Interest Coverage (Funds from Operations + Interest Expense)/Interest Expense (x) | 2.87 | 3.21 | 3.21 | 3.31 |
| Debt Service Coverage (Funds from Operations + Interest Expense)/(Interest Expense + Principal Amort.) (x) | 2.59 | 2.78 | 2.87 | 2.83 |
| Fixed Charge Coverage (Funds from Operations + Interest Expense)/(Interest Expense + Capitalized Interest + Pref. Div. + Prin. Amort. + Ground Lease Payments)(x) | 2.45 | 2.62 | 2.71 | 2.59 |
| FFO Payout (Dividends Declared/Funds from Operations) (%) | 74.64 % | 71.58 % | 66.38 % | 69.66 % |

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Debt Analysis (as of September 30, 2006)

Debt Breakdown (dollars in thousands)

| | Balance | % of Total | Weighted Average Interest Rate (a) | Weighted Average Maturity in Years |
|---|--------------------|-----------------|---------------------------------------|---------------------------------------|
| Fixed Rate Unsecured Notes | \$ 1,673,443 | 68.43 % | 6.28 % | 5.53 |
| Fixed Rate Secured Debt and Other Obligations | 360,394 | 14.73 % | 5.44 % | 5.17 |
| Variable Rate Unsecured Debt | 412,000 | 16.84 % | 5.79 % | 3.15 |
| Totals/Weighted Average: | \$2,445,837 | 100.00 % | 6.07 % | 5.08 |

Future Repayments (dollars in thousands)

| Period | Scheduled Amortization | Principal Maturities | Total | Weighted Average Interest Rate of Future Repayments (a) |
|--------|---------------------------|-------------------------|-------|--|
|--------|---------------------------|-------------------------|-------|--|

| | | | | |
|---|------------------|--------------------|--------------------|---------------|
| October 1 — December 31, 2006 | \$ 6,849 | — | \$ 6,849 | 5.00 % |
| 2007 | 19,691 | \$ 29,441 | 49,132 | 5.64 % |
| 2008 | 17,993 | 12,563 | 30,556 | 5.25 % |
| 2009 | 9,752 | 712,000 | 721,752 | 6.49 % |
| 2010 | 2,794 | 334,500 | 337,294 | 5.26 % |
| Thereafter | 15,267 | 1,293,091 | 1,308,358 | 6.11 % |
| Sub-total | 72,346 | 2,381,595 | 2,453,941 | 6.07 % |
| Adjustment for unamortized debt discount/premium, net, as of September 30, 2006 | (8,104) | — | (8,104) | — |
| Totals/Weighted Average: | \$ 64,242 | \$2,381,595 | \$2,445,837 | 6.07 % |

(a) Actual weighted average LIBOR contract rates relating to the Company's outstanding debt as of September 30, 2006 of 5.33 percent was used in calculating revolving credit facility.

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Debt Maturities (dollars in thousands)

| | October 1 — December 31, 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2018 | TOTALS |
|----------------------------------|----------------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|--------------------|
| Secured Debt: | | | | | | | | | | | | | |
| Mack-Cali Airport | | \$ 9,364 | | | | | | | | | | | \$ 9,364 |
| 6406 Ivy Lane | | 14,289 | | | | | | | | | | | 14,289 |
| 6303 Ivy Lane | | 5,788 | | | | | | | | | | | 5,788 |
| 6404 Ivy Lane | | | \$12,563 | | | | | | | | | | 12,563 |
| Prudential Portfolio | | | | | \$150,000 | | | | | | | | 150,000 |
| 105 Challenger | | | | | 19,500 | | | | | | | | 19,500 |
| 2200 Renaissance Boulevard | | | | | | | \$ 15,234 | | | | | | 15,234 |
| Soundview Plaza | | | | | | | | \$ 14,889 | | | | | 14,889 |
| 9200 Edmonston Road | | | | | | | | 4,229 | | | | | 4,229 |
| 6305 Ivy Lane | | | | | | | | | \$ 5,707 | | | | 5,707 |
| 6301 Ivy Lane | | | | | | | | | 5,301 | | | | 5,301 |
| 35 Waterview | | | | | | | | | 18,184 | | | | 18,184 |
| 395 West Passaic | | | | | | | | | 9,636 | | | | 9,636 |
| 500 West Putnam Avenue | | | | | | | | | | \$ 22,325 | | | 22,325 |
| 23 Main Street | | | | | | | | | | | | \$26,566 | 26,566 |
| Total Secured Debt: | — | \$29,441 | \$12,563 | — | \$169,500 | — | \$ 15,234 | \$ 19,118 | \$ 38,828 | — | \$ 22,325 | \$26,566 | \$ 333,575 |
| Unsecured Debt: | | | | | | | | | | | | | |
| Unsecured credit facility | | | | \$412,000 | | | | | | | | | \$ 412,000 |
| 7.250% unsecured notes due 3/09 | | | | 300,000 | | | | | | | | | 300,000 |
| 5.050% unsecured notes due 4/10 | | | | | \$150,000 | | | | | | | | 150,000 |
| 7.835% unsecured notes due 12/10 | | | | | 15,000 | | | | | | | | 15,000 |
| 7.750% unsecured notes due 2/11 | | | | | | \$300,000 | | | | | | | 300,000 |
| 5.250% unsecured notes due 1/12 | | | | | | | \$100,000 | | | | | | 100,000 |
| 6.150% unsecured notes due 12/12 | | | | | | | 94,914 | | | | | | 94,914 |
| 5.820% unsecured notes due 3/13 | | | | | | | | \$ 26,105 | | | | | 26,105 |
| 4.600% unsecured notes due 6/13 | | | | | | | | 100,000 | | | | | 100,000 |
| 5.125% unsecured notes due 2/14 | | | | | | | | | \$200,000 | | | | 200,000 |
| 5.125% unsecured notes due 1/15 | | | | | | | | | | \$150,000 | | | 150,000 |
| 5.80% unsecured notes due 1/16 | | | | | | | | | | | \$200,000 | | 200,000 |
| Total Unsecured Debt: | — | — | — | \$712,000 | \$165,000 | \$300,000 | \$194,914 | \$126,105 | \$200,000 | \$150,000 | \$200,000 | — | \$2,048,019 |
| Total Debt: | — | \$29,441 | \$12,563 | \$712,000 | \$334,500 | \$300,000 | \$210,148 | \$145,223 | \$238,828 | \$150,000 | \$222,325 | \$26,566 | \$2,381,594 |

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Debt Detail (dollars in thousands)

| Property Name | Lender | Effective Interest Rate | Principal Balance at | | Date of Maturity |
|---|-----------------------------------|-------------------------|----------------------|---------------------|------------------|
| | | | September 30, 2006 | December 31, 2005 | |
| Senior Unsecured Notes: (a) | | | | | |
| 7.250%, \$300,000 Face Amount Notes | | public debt | \$ 299,423 | \$ 299,246 | 03/15/09 |
| 5.050%, \$150,000 Face Amount Notes | | public debt | 149,806 | 149,765 | 04/15/10 |
| 7.835%, \$15,000 Face Amount Notes | | public debt | 15,000 | 15,000 | 12/15/10 |
| 7.750%, \$300,000 Face Amount Notes | | public debt | 299,251 | 299,122 | 02/15/11 |
| 5.250%, \$100,000 Face Amount Notes | | public debt | 98,966 | — | 01/15/12 |
| 6.150%, \$94,914 Face Amount Notes | | public debt | 91,858 | 91,488 | 12/15/12 |
| 5.820%, \$26,105 Face Amount Notes | | public debt | 25,392 | 25,309 | 03/15/13 |
| 4.600%, \$100,000 Face Amount Notes | | public debt | 4,742 | 99,787 | 06/15/13 |
| 5.125%, \$200,000 Face Amount Notes | | public debt | 5,110 | 201,768 | 02/15/14 |
| 5.125%, \$150,000 Face Amount Notes | | public debt | 5,297 | 149,233 | 01/15/15 |
| 5.800%, \$100,000 Face Amount Notes | | public debt | 200,711 | 99,680 | 01/15/16 |
| Total Senior Unsecured Notes: | | | \$ 1,631,216 | \$ 1,430,509 | |
| Revolving Credit Facilities: | | | | | |
| 2004 Unsecured Facility (b) | 23 Lenders | Libor +0.650% | \$ 412,000 | \$ 227,000 | 11/23/09 |
| Total Revolving Credit Facilities: | | | \$ 412,000 | \$ 227,000 | |
| Property Mortgages: (c) | | | | | |
| Mack-Cali Airport | Allstate Life Insurance Co. | 7.050% | \$ 9,479 | \$ 9,644 | 04/01/07 |
| 6406 Ivy Lane | Morgan Stanley Guaranty Trust Co. | 5.570% | 14,840 | — | 06/01/07 |
| 6303 Ivy Lane | State Farm Life Ins. Co. | 5.567% | 6,114 | — | 07/01/07 |
| 6404 Ivy Lane | TIAA | 5.582% | 13,819 | — | 08/01/08 |
| Various (d) | Prudential Insurance Co. | 4.841% | 150,000 | 150,000 | 01/15/10 |
| 105 Challenger Road | Archon Financial CMBS | 6.235% | 18,693 | — | 06/06/10 |
| 2200 Renaissance Boulevard | TIAA | 5.888% | 17,909 | 18,174 | 12/01/12 |

| | | | | | |
|--|--------------------------------------|--------|---------------------|---------------------|-------------|
| Soundview Plaza | TIAA | 6.015% | 18,119 | 18,427 | 01/01/13 |
| 9200 Edmonston Road | Principal Commercial Funding, L.L.C. | 5.534% | 5,265 | — | 05/01/13 |
| 6305 Ivy Lane | John Hancock Life Ins. Co. | 5.525% | 7,331 | — | 01/01/14 |
| 395 West Passaic | State Farm Life Ins. Co. | 6.004% | 13,093 | — | 05/01/14 |
| 6301 Ivy Lane | John Hancock Life Ins. Co. | 5.520% | 6,860 | — | 07/01/14 |
| 35 Waterview | Wachovia CMBS | 6.348% | 20,372 | — | 08/11/14 |
| 500 West Putnam Avenue | New York Life Ins. Co. | 5.570% | 25,000 | 25,000 | 01/10/16 |
| 23 Main Street | JP Morgan CMBS | 5.587% | 33,500 | 33,500 | 09/01/18 |
| Assumed Obligations | n/a | 4.899% | 42,227 | 53,241 | 05/01/09(e) |
| Harborside - Plazas 2 and 3 | Northwestern/Principal | — | — | 144,642 | —(f) |
| Monmouth Executive Center | La Salle Brothers CMBS | — | — | 16,044 | —(g) |
| Total Mortgages, Loans Payable and Other Obligations: | | | \$ 402,621 | \$ 468,672 | |
| Total Debt: | | | \$ 2,445,837 | \$ 2,126,181 | |

- (a) Interest rate for unsecured notes reflects effective rate of debt, including cost of terminated treasury lock agreements (if any), offering and other transaction costs and the discount on the notes, as applicable.
- (b) Total borrowing capacity under this facility is \$600 million.
- (c) Effective interest rate for mortgages, loans payable and other obligations reflects effective rate of debt, including deferred financing costs, comprised of the cost of terminated treasury lock agreements (if any), debt initiation costs and other transaction costs, as applicable.
- (d) Mortgage is collateralized by seven properties.
- (e) The obligations mature at various times through December 2006 and May 2009.
- (f) On January 3, 2006, the Company paid off this mortgage loan through borrowings on the Company's revolving credit facility.
- (g) Mortgage was collateralized by three properties. On August 1, 2006, the Company repaid this mortgage loan at par, using borrowings under the Company's revolving credit facility.

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III. FINANCIAL INFORMATION

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Mack-Cali Realty Corporation and Subsidiaries Consolidated Statements of Operations (in thousands, except per share amounts) (unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | |
| Base rents | \$ 140,356 | \$ 127,770 | \$ 406,989 | \$ 380,284 |
| Escalations and recoveries from tenants | 25,045 | 21,163 | 69,862 | 57,128 |
| Construction services | 23,236 | — | 36,286 | — |
| Real estate services | 10,653 | 636 | 19,015 | 1,853 |
| Other income | 3,927 | 4,583 | 9,985 | 7,517 |
| Total revenues | 203,217 | 154,152 | 542,137 | 446,782 |
| Expenses | | | | |
| Real estate taxes | 22,652 | 19,885 | 64,891 | 56,890 |
| Utilities | 18,766 | 15,867 | 46,789 | 38,648 |
| Operating services | 23,534 | 19,544 | 66,024 | 59,428 |
| Direct construction costs | 22,568 | — | 35,148 | — |
| Real estate services, salaries, wages and other costs | 6,686 | — | 10,820 | — |
| General and administrative | 12,173 | 7,952 | 32,796 | 23,449 |
| Depreciation and amortization | 40,132 | 37,838 | 116,980 | 106,067 |
| Total expenses | 146,511 | 101,086 | 373,448 | 284,482 |
| Operating Income | 56,706 | 53,066 | 168,689 | 162,300 |
| Other (Expense) Income | | | | |
| Interest expense | (35,815) | (30,159) | (100,620) | (88,919) |
| Interest and other investment income | 514 | 308 | 2,359 | 493 |
| Equity in earnings (loss) of unconsolidated joint ventures | (4,757) | 322 | (5,356) | 552 |
| Minority interest in consolidated joint ventures | 113 | — | 143 | (74) |
| Gain on sale of investment in marketable securities | — | — | 15,060 | — |
| Gain on sale of investment in unconsolidated joint ventures | — | — | — | 35 |
| Total other (expense) income | (39,945) | (29,529) | (88,414) | (87,913) |
| Income from continuing operations before Minority interest in Operating Partnership | 16,761 | 23,537 | 80,275 | 74,387 |
| Minority interest in Operating Partnership | (3,263) | (4,205) | (15,326) | (15,043) |
| Income from continuing operations | 13,498 | 19,332 | 64,949 | 59,344 |
| Discontinued operations (net of minority interest): | | | | |
| Income from discontinued operations | 3,013 | 1,772 | 7,872 | 12,270 |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | — | — | 3,921 | 8,973 |
| Total discontinued operations, net | 3,013 | 1,772 | 11,793 | 21,243 |
| Net income | 16,511 | 21,104 | 76,742 | 80,587 |
| Preferred stock dividends | (500) | (500) | (1,500) | (1,500) |
| Net income available to common shareholders | \$ 16,011 | \$ 20,604 | \$ 75,242 | \$ 79,087 |
| Basic earnings per common share: | | | | |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Income from continuing operations | \$ 0.21 | \$ 0.30 | \$ 1.02 | \$ 0.94 |
| Discontinued operations | 0.05 | 0.03 | 0.19 | 0.35 |
| Net income available to common shareholders | <u>\$ 0.26</u> | <u>\$ 0.33</u> | <u>\$ 1.21</u> | <u>\$ 1.29</u> |
| Diluted earnings per common share: | | | | |
| Income from continuing operations | \$ 0.21 | \$ 0.30 | \$ 1.01 | \$ 0.94 |
| Discontinued operations | 0.05 | 0.03 | 0.19 | 0.35 |
| Net income available to common shareholders | <u>\$ 0.26</u> | <u>\$ 0.33</u> | <u>\$ 1.20</u> | <u>\$ 1.29</u> |
| Dividends declared per common share | \$ 0.64 | \$ 0.63 | \$ 1.90 | \$ 1.89 |
| Basic weighted average shares outstanding | 62,302 | 61,609 | 62,158 | 61,397 |
| Diluted weighted average shares outstanding | 78,258 | 75,760 | 77,664 | 73,585 |

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Mack-Cali Realty Corporation and Subsidiaries
Consolidated Balance Sheets
(in thousands, except per share amounts) (unaudited)

| | September 30, 2006 | December 31, 2005 |
|---|-----------------------|----------------------|
| Assets | | |
| Rental property | | |
| Land and leasehold interests | \$ 656,810 | \$ 637,653 |
| Buildings and improvements | 3,543,937 | 3,539,003 |
| Tenant improvements | 332,775 | 307,664 |
| Furniture, fixtures and equipment | 7,812 | 7,432 |
| | 4,541,334 | 4,491,752 |
| Less – accumulated depreciation and amortization | (763,053) | (722,980) |
| | 3,778,281 | 3,768,772 |
| Rental property held for sale, net | 247,207 | — |
| Net investment in rental property | 4,025,488 | 3,768,772 |
| Cash and cash equivalents | 20,780 | 60,397 |
| Marketable securities available for sale at fair value | — | 50,847 |
| Investments in unconsolidated joint ventures | 205,773 | 62,138 |
| Unbilled rents receivable, net | 107,757 | 92,692 |
| Deferred charges and other assets, net | 250,884 | 197,634 |
| Restricted cash | 15,981 | 9,221 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,905 and \$1,088 | 42,098 | 5,801 |
| Total assets | \$ 4,668,761 | \$ 4,247,502 |
| Liabilities and Stockholders' Equity | | |
| Senior unsecured notes | \$ 1,631,216 | \$ 1,430,509 |
| Revolving credit facility | 412,000 | 227,000 |
| Mortgages, loans payable and other obligations | 402,621 | 468,672 |
| Dividends and distributions payable | 50,521 | 48,178 |
| Accounts payable, accrued expenses and other liabilities | 133,371 | 85,481 |
| Rents received in advance and security deposits | 49,519 | 47,685 |
| Accrued interest payable | 19,197 | 27,871 |
| Total liabilities | 2,698,445 | 2,335,396 |
| Minority interests: | | |
| Operating Partnership | 480,951 | 400,819 |
| Consolidated joint ventures | 2,104 | — |
| Total minority interests | 483,055 | 400,819 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value, 5,000,000 shares authorized, 10,000 and 10,000 shares outstanding, at liquidation preference | 25,000 | 25,000 |
| Common stock, \$0.01 par value, 190,000,000 shares authorized, 62,551,206 and 62,019,646 shares outstanding | 625 | 620 |
| Additional paid-in capital | 1,694,563 | 1,682,141 |
| Unamortized stock compensation | — | (6,105) |
| Dividends in excess of net earnings | (232,927) | (189,579) |
| Accumulated other comprehensive loss | — | (790) |
| Total stockholders' equity | 1,487,261 | 1,511,287 |
| Total liabilities and stockholders' equity | \$ 4,668,761 | \$ 4,247,502 |

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For the nine months ended September 30, 2006
(in thousands) (unaudited)

| | Preferred Stock | | Common Stock | | Additional Paid-In Capital | Unamortized Stock Compensation | Dividends in Excess of Net Earnings | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity |
|---|-----------------|------------------|---------------|---------------|----------------------------|--------------------------------|-------------------------------------|---|----------------------------|
| | Shares | Amount | Shares | Par value | | | | | |
| Balance at January 1, 2006 | 10 | \$ 25,000 | 62,020 | \$ 620 | \$ 1,682,141 | \$ (6,105) | \$ (189,579) | \$ (790) | \$ 1,511,287 |
| Reclassification upon the adoption of FASB No. 123 (R) | — | — | — | — | (6,105) | 6,105 | — | — | — |
| Net income | — | — | — | — | — | — | 76,742 | — | 76,742 |
| Preferred stock dividends | — | — | — | — | — | — | (1,500) | — | (1,500) |
| Common stock dividends | — | — | — | — | — | — | (118,590) | — | (118,590) |
| Redemption of common units for common stock | — | — | 222 | 2 | 6,853 | — | — | — | 6,855 |
| Shares issued under Dividend Reinvestment and Stock Purchase Plan | — | — | 4 | — | 184 | — | — | — | 184 |
| Stock options exercised | — | — | 302 | 3 | 8,836 | — | — | — | 8,839 |
| Stock options expense | — | — | — | — | 212 | — | — | — | 212 |
| Comprehensive Gain: Unrealized holding gain on marketable securities available for sale | — | — | — | — | — | — | — | 15,850 | 15,850 |
| Directors Deferred compensation plan | — | — | — | — | 226 | — | — | — | 226 |
| Issuance of restricted stock | — | — | 10 | — | — | — | — | — | — |
| Amortization of stock compensation | — | — | — | — | 2,216 | — | — | — | 2,216 |
| Cancellation of restricted stock | — | — | (7) | — | — | — | — | — | — |
| Reclassification adjustment for realized gain included in net income | — | — | — | — | — | — | — | (15,060) | (15,060) |
| Balance at September 30, 2006 | 10 | \$ 25,000 | 62,551 | \$ 625 | \$ 1,694,563 | \$ — | \$ (232,927) | \$ — | \$ 1,487,261 |

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Statements of Funds from Operations
(in thousands, except per share/unit amounts) (unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|------------------|------------------------------------|-------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Net income available to common shareholders | \$ 16,011 | \$ 20,604 | \$ 75,242 | \$ 79,087 |
| Add: Minority interest in Operating Partnership | 3,263 | 4,205 | 15,326 | 15,043 |
| Minority interest in discontinued operations | 756 | 395 | 2,910 | 4,392 |
| Real estate-related depreciation and amortization on continuing operations (a) | 45,409 | 38,568 | 126,625 | 108,370 |
| Real estate-related depreciation and amortization on discontinued operations | 1,662 | 2,910 | 7,088 | 9,420 |
| Deduct: Gain on sale of investment in unconsolidated joint venture | — | — | — | (35) |
| Add: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | — | — | (4,905) | (11,078) |
| Funds from operations available to common shareholders (b) | \$ 67,101 | \$ 66,682 | \$ 222,286 | \$ 205,199 |
| Diluted weighted average shares/units outstanding (c) | 78,258 | 75,760 | 77,664 | 75,631 |
| Funds from operations per share/unit – diluted | \$ 0.86 | \$ 0.88 | \$ 2.86 | \$ 2.71 |
| Dividend declared per common share | \$ 0.64 | \$ 0.63 | \$ 1.90 | \$ 1.89 |
| Dividend payout ratios: | | | | |
| Funds from operations-diluted | 74.64% | 71.58% | 66.38% | 69.66% |
| Supplemental Information: | | | | |
| Non-incremental revenue generating capital expenditures: | | | | |
| Building improvements | \$ 3,184 | \$ 1,404 | \$ 7,575 | \$ 3,968 |
| Tenant improvements and leasing commissions | \$ 15,690 | \$ 11,198 | \$ 46,366 | \$ 31,901 |
| Straight-line rent adjustments (d) | \$ 5,003 | \$ 3,239 | \$ 17,603 | \$ 9,873 |
| Amortization of (above)/below market lease intangibles, net | \$ 234 | \$ 1,197 | \$ 1,260 | \$ 2,731 |

- (a) Includes the Company's share from unconsolidated joint ventures of \$5,421 and \$885 for the three months ended September 30, 2006 and 2005, respectively and \$10,078 and \$2,775 for the nine months ended September 30, 2006 and 2005, respectively.
- (b) Funds from operations for both periods are calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" on page 12.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares (15,643 shares and 13,755 shares for the three months ended September 30, 2006 and 2005, respectively and 15,195 shares and 13,810 shares for the nine months ended September 30, 2006 and 2005, respectively), plus dilutive Common Stock Equivalents (i.e. stock options). See reconciliation of basic to diluted shares/units on page 29.
- (d) Includes the Company's share from unconsolidated joint ventures of \$1,272 and \$300 for the three months ended September 30, 2006 and 2005, respectively and \$2,413 and \$390 for the nine months ended September 30, 2006 and 2005, respectively.

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Statements of Funds from Operations Per Diluted Share
(amounts are per diluted share, except share count in thousands) (unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|---------|------------------------------------|---------|
| | 2006 | 2005 | 2006 | 2005 |
| Net income available to common shareholders | \$ 0.26 | \$ 0.33 | \$ 1.20 | \$ 1.29 |

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Add: Real estate-related depreciation and amortization on continuing operations (a) | 0.58 | 0.51 | 1.63 | 1.43 |
| Real estate-related depreciation and amortization on discontinued operations | 0.02 | 0.04 | 0.09 | 0.12 |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | — | — | (0.06) | (0.15) |
| Minority Interest/Rounding Adjustment | — | — | — | 0.02 |
| Funds from operations available to common shareholders (b) | \$ 0.86 | \$ 0.88 | \$ 2.86 | \$ 2.71 |
| Diluted weighted average shares/units outstanding (c) | <u>78,258</u> | <u>75,760</u> | <u>77,664</u> | <u>75,631</u> |

- (a) Includes the Company's share from unconsolidated joint ventures of \$0.07 and \$0.01 for the three months ended September 30, 2006 and 2005, respectively and \$0.13 and \$0.04 for the nine months ended September 30, 2006 and 2005, respectively.
- (b) Funds from operations for both periods are calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" on page 12.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares (15,643 shares and 13,755 shares for the three months ended September 30, 2006 and 2005, respectively and 15,195 shares and 13,810 shares for the nine months ended September 30, 2006 and 2005, respectively), plus dilutive Common Stock Equivalents (i.e. stock options). See reconciliation of basic to diluted shares/units on page 29.

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Reconciliation of Basic-to-Diluted Shares/Units
(in thousands)

The following schedule reconciles the Company's basic weighted average shares outstanding to basic and diluted weighted average shares/units outstanding for the purpose of calculating FFO per share:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------------------|------------------------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 |
| Basic weighted average shares outstanding: | 62,302 | 61,609 | 62,158 | 61,397 |
| Add: Weighted average common units | 15,643 | 13,755 | 15,196 | 11,764 |
| Basic weighted average shares/units: | 77,945 | 75,364 | 77,354 | 73,161 |
| Add: Stock options | 313 | 396 | 310 | 424 |
| Restricted Stock Awards | — | — | — | — |
| Stock warrants | — | — | — | — |
| Diluted weighted average shares outstanding: | 78,258 | 75,760 | 77,664 | 73,585 |
| Add: Weighted average preferred units (after conversion to common units) | — | — | — | 2,046 |
| Diluted weighted average shares/units outstanding: | <u>78,258</u> | <u>75,760</u> | <u>77,664</u> | <u>75,631</u> |

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IV. VALUE CREATION PIPELINE

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Operating Property Acquisitions

(dollars in thousands)

For the nine months ended September 30, 2006

| Acquisition Date | Property/Address | Location | # of Bldgs. | Rentable Square Feet | Investment by Company (a) |
|-------------------------------------|--------------------------------|---------------------------------------|------------------|-------------------------|---------------------------|
| Office: | | | | | |
| 02/28/06 | Capital Office Park (b) | Greenbelt, Prince George's County, MD | 7 | 842,258 | \$ 166,011 |
| 05/09/06 | 35 Waterview Boulevard (c) (d) | Parsippany, Morris County, NJ | 1 | 172,498 | 32,600 |
| 05/09/06 | 105 Challenger Road (c) (e) | Ridgefield Park, Bergen County, NJ | 1 | 150,050 | 31,792 |
| 05/09/06 | 343 Thornall Street (c) (f) | Edison, Middlesex County, NJ | 1 | 195,709 | 41,113 |
| 07/31/06 | 395 W. Passaic Street (g) | Rochelle Park, Bergen County, NJ | 1 | 100,589 | 22,219 |
| Total Property Acquisitions: | | | <u>11</u> | <u>1,461,104</u> | <u>\$ 293,735</u> |

For the year ended December 31, 2005

| Acquisition Date | Property/Address | Location | # of Bldgs. | Rentable Square Feet | Investment by Company |
|------------------|------------------|----------|-------------|----------------------|-----------------------|
| Office: | | | | | |

| | | | | | |
|-------------------------------------|-------------------------------|--------------------------------|----------|------------------|-------------------|
| 03/02/05 | 101 Hudson Street (f) | Jersey City, Hudson County, NJ | 1 | 1,246,283 | \$ 330,302 |
| 03/29/05 | 23 Main Street (f) (h) | Holmdel, Monmouth County, NJ | 1 | 350,000 | 23,948 |
| 07/12/05 | Monmouth Executive Center (i) | Freehold, Monmouth County, NJ | 4 | 235,968 | 33,561 |
| Total Property Acquisitions: | | | 6 | 1,832,251 | \$ 387,811 |

- (a) Amounts are as of September 30, 2006.
- (b) This transaction was funded primarily through the assumption of \$63.2 million of mortgage debt and the issuance of 1.9 million common operating partnership units valued at \$87.2 million.
- (c) The property was acquired as part of the Gale/Green Transactions.
- (d) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of \$20.4 million of mortgage debt.
- (e) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of \$19.5 million of mortgage debt.
- (f) Transaction was funded primarily through borrowing on the Company's revolving credit facility.
- (g) Transaction was funded primarily through borrowing on the Company's revolving credit facility and the assumption of \$13.1 million of mortgage debt.
- (h) In addition to its initial investment, the Company intends to make additional investments related to the property of approximately \$12,122, of which the Company has incurred \$6,723 through September 30, 2006.
- (i) Transaction was funded primarily through cash on hand and assumption of mortgage debt.

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Acquisition Property Profile

| | |
|-----------------------------|--|
| Property Name: | 395 West Passaic Street |
| Product Type: | Office Building |
| Location: | Rochelle Park, Bergen County, New Jersey |
| Description: | Class A, four-story office building |
| Size: | 100,589 square feet |
| Year Constructed: | 1979 |
| Closing Date: | July 31, 2006 |
| Acquisition Cost: | \$22.2 million |
| Funding Source: | Funded primarily through the borrowing on the Company's revolving credit facility and the assumption of mortgage debt. |
| Percentage Leased: | 89.6% |
| Number of Tenants: | 5 |
| Significant Tenants: | Kajima Real Estate Development (50,163 square feet) Lincoln National Life Insurance (20,365 square feet) |

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Summary of Construction Projects (dollars in thousands)

| <u>Project</u> | <u>Location</u> | <u>Type of Space</u> | <u>Estimated Placed in Service Date</u> | <u>Number Of Buildings</u> | <u>Square Feet</u> | <u>Costs Incurred Through 9/30/06</u> | <u>Total Estimated Costs</u> | <u>Current % Leased</u> |
|---------------------------------------|-----------------|----------------------|---|----------------------------|--------------------|---------------------------------------|------------------------------|-------------------------|
| Majority Owned: | | | | | | | | |
| AAA Operations Center | Hamilton, NJ | Office | 2006-4Q | 1 | 120,000 | \$ 12,826 | \$ 19,200 | 100.0% |
| Sub-total: | | | | 1 | 120,000 | 12,826 | 19,200 | 100.0% |
| Unconsolidated Joint Ventures: | | | | | | | | |
| Red Bank Corporate Plaza | Red Bank, NJ | Office | 2007-3Q | 1 | 92,878 | 9,446 | 27,050 | 100.0% |
| 100 Kimball | Parsippany, NJ | Office | 2006-4Q | 1 | 175,000 | 23,780 | 26,576 | — |
| Sub-total: | | | | 2 | 267,878 | 33,226 | 53,626 | 34.7% |
| Grand Total: | | | | 3 | 387,878 | \$ 46,052 | \$ 72,826 | 54.9% |

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Summary of Land Parcels

| Site | Town/City | State | Acres | Development Potential (Sq. Ft.) | Type of Space |
|--|----------------------|-------|--------------|---------------------------------|--------------------|
| 55 Corporate Drive (a) | Bridgewater | NJ | 30.0 | 200,000 | Office |
| Horizon Center | Hamilton | NJ | 13.0 | 140,000 | Office/Flex/Retail |
| Plaza VIII and IX Associates, L.L.C. (a) | Jersey City | NJ | 3.6 | 1,225,000 | Office |
| Harborside Financial Center (b) | Jersey City | NJ | 6.5 | 3,113,500 | Office |
| Mack-Cali Business Campus | Parsippany & Hanover | NJ | 110.0 | 1,350,000 | Office |
| 3 Campus Drive | Parsippany | NJ | 10.0 | 124,000 | Office |
| Red Bank Corporate Plaza II (a) | Red Bank | NJ | 1.0 | 18,563 | Office |
| Commercenter | Totowa | NJ | 5.8 | 30,000 | Office/Flex |
| Princeton Metro | West Windsor | NJ | 10.0 | 97,000 | Office |
| Princeton Overlook II | West Windsor | NJ | 10.0 | 149,500 | Office |
| Mack-Cali Princeton Executive Park | West Windsor | NJ | 59.9 | 760,000 | Office/Hotel |
| Meadowlands Xanadu (a) | East Rutherford | NJ | 13.8 | 1,760,000 | Office |
| Meadowlands Xanadu (a) | East Rutherford | NJ | 3.2 | 500,000 | Hotel (c) |
| Elmsford Distribution Center (d) | Elmsford | NY | 14.5 | 100,000 | Warehouse |
| Mid-Westchester Executive Park | Hawthorne | NY | 7.2 | 82,250 | Office/Flex |
| One Ramland Road (a) | Orangeburg | NY | 20.0 | 100,000 | Office/Flex |
| South Westchester Executive Park (d) | Yonkers | NY | 60.0 | 500,000 | Office/Flex |
| South Westchester Executive Park | Yonkers | NY | 2.7 | 50,000 | Office/Flex |
| Airport Business Center | Lester | PA | 12.6 | 135,000 | Office |
| Rose Tree | Media | PA | 2.3 | 15,200 | Office |
| Capital Office Park (d) | Greenbelt | MD | 43.0 | 600,000 | Office |
| Eastpoint II | Lanham | MD | 4.8 | 122,000 | Office/Hotel |
| Pyramid Pointe (e) | Englewood | CO | 1.6 | 24,000 | Office |
| Hilltop Business Center (e) | Littleton | CO | 7.1 | 128,000 | Office |
| Total: | | | 452.6 | 11,324,013 | |

- (a) Land owned or controlled by unconsolidated joint venture in which Mack-Cali is an equity partner.
 (b) In addition, there are 21 acres of riparian property.
 (c) Hotel project can comprise up to 520 rooms.
 (d) Mack-Cali holds an option to purchase this land.
 (e) Land is currently held for sale.

Rental Property Sales

(dollars in thousands)

For the nine months ended September 30, 2006

| Sale Date | Property/Address | Location | # of Bldgs. | Rentable Square Feet | Net Sales Proceeds | Net Book Value | Realized Gain/(Loss) |
|------------------------------|-------------------------|-----------------------------------|-------------|----------------------|--------------------|------------------|----------------------|
| Office: | | | | | | | |
| 06/28/06 | Westage Business Center | Fishkill, Dutchess County, NY | 1 | 118,727 | \$ 14,765 | \$ 10,872 | \$ 3,893 |
| 06/30/06 | 1510 Lancer Drive | Moorestown, Burlington County, NJ | 1 | 88,000 | 4,146 | 3,134 | 1,012 |
| Total Property Sales: | | | 2 | 206,727 | \$ 18,911 | \$ 14,006 | \$ 4,905 |

For the year ended December 31, 2005

| Sale Date | Property/Address | Location | # of Bldgs. | Rentable Square Feet | Net Sales Proceeds | Net Book Value | Realized Gain/(Loss) |
|-------------------------------------|--|------------------------------------|-------------|----------------------|--------------------|-------------------|----------------------|
| Office: | | | | | | | |
| 02/04/05 | 210 South 16 th Street | Omaha, Douglas County, NE | 1 | 318,224 | \$ 8,464 | \$ 8,210 | \$ 254 |
| 02/11/05 | 1122 Alma Road | Richardson, Dallas County, TX | 1 | 82,576 | 2,075 | 2,344 | (269) |
| 02/15/05 | 3 Skyline Drive | Hawthorne, Westchester County, NY | 1 | 75,668 | 9,587 | 8,856 | 731 |
| 05/11/05 | 201 Willowbrook Boulevard | Wayne, Passaic County, NJ (a) | 1 | 178,329 | 17,696 | 17,705 | (9) |
| 06/03/05 | 600 Community Drive/ 111 East Shore Road | North Hempstead, Nassau County, NY | 2 | 292,849 | 71,593 | 59,609 | 11,984 |
| 12/29/05 | 3600 South Yosemite | Denver, Denver County, CO | 1 | 133,743 | 5,566 | 11,121 | (5,555) |
| Total Office Property Sales: | | | 7 | 1,081,389 | \$ 114,981 | \$ 107,845 | \$ 7,136 |

- (a) In connection with the sale, the Company provided a mortgage loan to the buyer of \$12,000 which bears interest at 5.74 percent, matures in five years with a five year renewal option, and requires monthly payments of principal and interest.

Rental Property Held For Sale

(dollars in thousands)

At September 30, 2006

| Property/Address | Location | # of Bldgs. | Rentable Square Feet | Net Book Value At 9/30/06 |
|-------------------------------------|---|-------------|----------------------|---------------------------|
| Office: | | | | |
| 760 Market Street | San Francisco, San Francisco County, CA | 1 | 267,446 | \$ 56,410 |
| 795 Folsom Street | San Francisco, San Francisco County, CA | 1 | 183,445 | 35,408 |
| 105 S. Technology Street | Broomfield, Boulder County, CO | 1 | 37,574 | 2,833 |
| 303 S. Technology Street | Broomfield, Boulder County, CO | 2 | 74,870 | 5,460 |
| 248 Centennial Place / 1172 Century | Louisville, Boulder County, CO | 2 | 88,832 | 9,812 |
| 285 Century Place | Louisville, Boulder County, CO | 1 | 69,145 | 6,548 |
| 67 Inverness Drive East | Englewood, Douglas County, CO | 1 | 54,280 | 3,265 |
| 384 Inverness Parkway | Englewood, Douglas County, CO | 1 | 51,523 | 3,448 |
| 400 Inverness Parkway | Englewood, Douglas County, CO | 1 | 111,608 | 14,674 |
| 5975 S. Quebec Street | Centennial, Douglas County, CO | 1 | 102,877 | 10,773 |
| 5350 S. Roslyn Street | Englewood, Arapahoe County, CO | 1 | 63,754 | 4,565 |
| 9359 East Nichols Avenue | Englewood, Arapahoe County, CO | 1 | 72,610 | 8,123 |
| 9777 Pyramid Court | Englewood, Douglas County, CO | 1 | 120,281 | 13,580 |
| 8181 East Tufts Avenue | Denver, Douglas County, CO | 1 | 185,254 | 30,232 |
| 141 Union Boulevard | Lakewood, Jefferson County, CO | 1 | 63,600 | 5,757 |
| 8415 Explorer / 2375 Telstar Drive | Colorado Springs, El Paso County, CO | 2 | 94,737 | 9,825 |
| 1975 Research Parkway | Colorado Springs, El Paso County, CO | 1 | 115,250 | 12,561 |
| 400 South Colorado Boulevard | Denver, Arapahoe County, CO | 1 | 125,415 | 11,102 |
| Vacant Land | Englewood and Littleton, CO | — | — | 2,830 |
| Total Office Properties | | 21 | 1,882,501 | \$ 247,206 |

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V. PORTFOLIO/ LEASING STATISTICS

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Leasing Statistics

(For the three months ended September 30, 2006)

Consolidated In-Service Portfolio

SUMMARY OF SPACE LEASED

| Region/Market | Sq. Ft. Leased 6/30/06 | Leased Sq. Ft. Acquired/Sold (a) | LEASING ACTIVITY | | | Sq. Ft. Leased 9/30/06 (c) | Pct. Leased 9/30/06 | Pct. Leased 6/30/06 |
|------------------------|------------------------|----------------------------------|----------------------------------|------------------|----------------------|----------------------------|---------------------|---------------------|
| | | | Expiring/ Adjustment Sq. Ft. (b) | Incoming Sq. Ft. | Net Leasing Activity | | | |
| Northeast | | | | | | | | |
| Northern NJ | 11,634,246 | 90,170 | (297,460) | 482,359 | 184,899 | 11,909,315 | 90.1% | 88.7% |
| Central NJ | 4,428,968 | — | (83,455) | 96,556 | 13,101 | 4,442,069 | 90.1% | 89.8% |
| Westchester Co., NY | 4,602,186 | — | (131,055) | 131,433 | 378 | 4,602,564 | 96.1% | 96.1% |
| Sub. Philadelphia | 3,298,335 | — | (136,731) | 116,473 | (20,258) | 3,278,077 | 90.8% | 91.4% |
| Fairfield, CT | 737,057 | — | (31,387) | 65,649 | 34,262 | 771,319 | 90.5% | 86.5% |
| Washington, DC/MD | 1,153,605 | — | (37,858) | 46,380 | 8,522 | 1,162,127 | 89.9% | 89.2% |
| Rockland Co., NY | 180,000 | — | (2,997) | 2,997 | — | 180,000 | 100.0% | 100.0% |
| Total Northeast | 26,034,397 | 90,170 | (720,943) | 941,847 | 220,904 | 26,345,471 | 91.3% | 90.5% |
| Other | | | | | | | | |
| Colorado | 1,373,727 | — | (3,775) | 1,335 | (2,440) | 1,371,287 | 95.8% | 96.0% |
| San Francisco | 387,552 | — | (25,444) | 23,091 | (2,353) | 385,199 | 85.4% | 86.0% |
| Total Other | 1,761,279 | — | (29,219) | 24,426 | (4,793) | 1,756,486 | 93.3% | 93.6% |
| Company Totals | 27,795,676 | 90,170 | (750,162) | 966,273 | 216,111 | 28,101,957 | 91.4% | 90.7% |

RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

| | |
|---|------------|
| Total sq. ft. as of June 30, 2006 | 30,648,159 |
| Total sq. ft. of properties added this period | 100,589 |

| | |
|--|-------------------|
| Total sq. ft. of properties sold this period | — |
| Total sq. ft. as of September 30, 2006 | <u>30,748,748</u> |

- (a) Net gain/loss of leased square footage through properties sold, acquired or placed in service during the period.
(b) Represents the square footage of expiring leases and leases scheduled to expire in the future for which new leases or renewals were signed during the period, as well as internal administrative adjustments.
(c) Includes leases expiring September 30, 2006 aggregating 62,981 square feet for which no new leases were signed.

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Leasing Statistics

(For the three months ended September 30, 2006)

Consolidated In-Service Portfolio (continued)

DETAIL OF TRANSACTION ACTIVITY

Detail by Region/Market

| Region/Market | Property Type | # of Transactions | Total Sq. Ft. | Sq. Ft. New Leases | Sq. Ft. Renewed And Other Retained (a) | Wtd. Avg. Term (Yrs.) | Wtd. Avg. Base Rent (b) | Leasing Costs Per Sq. Ft. Per Year (c) |
|---------------------------|----------------------|-------------------|----------------|--------------------|--|-----------------------|-------------------------|--|
| Northern NJ | Office | 35 | 468,284 | 72,556 | 395,728 | 8.0 | 26.88 | 3.88 |
| Central NJ | Office/Flex | 3 | 14,075 | 11,348 | 2,727 | 3.6 | 16.46 | 0.59 |
| | Office | 15 | 74,407 | 15,286 | 59,121 | 3.8 | 25.92 | 2.09 |
| Westchester Co., NY | Office/Flex | 3 | 22,149 | — | 22,149 | 4.3 | 14.46 | 0.59 |
| | Office | 21 | 59,924 | 23,953 | 35,971 | 5.6 | 29.61 | 2.90 |
| | Office/Flex | 17 | 70,159 | 36,823 | 33,336 | 4.7 | 16.57 | 1.55 |
| Sub. Philadelphia | Industrial/Warehouse | 1 | 1,350 | 1,350 | — | 1.0 | 8.89 | 0.73 |
| | Office | 14 | 101,475 | 49,758 | 51,717 | 5.9 | 25.48 | 2.88 |
| | Office/Flex | 4 | 14,998 | 8,270 | 6,728 | 4.1 | 11.95 | 1.33 |
| Fairfield, CT | Office | 6 | 65,649 | 42,904 | 22,745 | 8.2 | 19.40 | 4.88 |
| Washington, DC/MD | Office | 10 | 46,380 | 15,016 | 31,364 | 4.2 | 28.79 | 2.47 |
| Dutchess/Rockland Co., NY | Office | 1 | 2,997 | — | 2,997 | 5.0 | 28.01 | 0.20 |
| Total Northeast | | <u>130</u> | <u>941,847</u> | <u>277,264</u> | <u>664,583</u> | <u>6.6</u> | <u>24.92</u> | <u>3.48</u> |
| Other | | | | | | | | |
| Colorado | Office | 1 | 1,335 | 1,335 | — | 3.3 | 15.65 | 1.25 |
| San Francisco | Office | 41 | 23,091 | 8,052 | 15,039 | 2.3 | 26.94 | 0.26 |
| Total Other | | <u>42</u> | <u>24,426</u> | <u>9,387</u> | <u>15,039</u> | <u>2.4</u> | <u>26.32</u> | <u>0.34</u> |

| | | | | | | | | |
|-----------------------|--|------------|----------------|----------------|----------------|------------|--------------|-------------|
| Company Totals | | <u>172</u> | <u>966,273</u> | <u>286,651</u> | <u>679,622</u> | <u>6.5</u> | <u>24.96</u> | <u>3.45</u> |
|-----------------------|--|------------|----------------|----------------|----------------|------------|--------------|-------------|

Detail by Property Type

| | | | | | | | | |
|-----------------------|----------------------|------------|----------------|----------------|----------------|------------|--------------|-------------|
| | Office | 144 | 843,542 | 228,860 | 614,682 | 6.8 | 26.33 | 3.66 |
| | Office/Flex | 27 | 121,381 | 56,441 | 64,940 | 4.4 | 15.60 | 1.26 |
| | Industrial/Warehouse | 1 | 1,350 | 1,350 | — | 1.0 | 8.89 | 0.73 |
| Company Totals | | <u>172</u> | <u>966,273</u> | <u>286,651</u> | <u>679,622</u> | <u>6.5</u> | <u>24.96</u> | <u>3.45</u> |

| | | |
|--------------------------|------------------|-------|
| Tenant Retention: | Leases Retained | 66.3% |
| | Sq. Ft. Retained | 90.6% |

- (a) "Other Retained" transactions include existing tenants' expansions and relocations within the same building.
(b) For Office/Flex properties, equals triple net rent plus common area costs and real estate taxes.
(c) Represents estimated workletter costs of \$13,435,734 and commissions of \$7,130,968 committed, but not necessarily expended, during the period for second generation space aggregating 918,657 square feet.

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Leasing Statistics

(For the three months ended September 30, 2006)

Unconsolidated Joint Venture Properties

SUMMARY OF SPACE LEASED

LEASING ACTIVITY

| State | Sq. Ft. Leased 6/30/06 | Leased Sq. Ft. Acquired/Sold | Expiring/Adjustment Sq. Ft. | Incoming Sq. Ft. | Net Leasing Activity | Sq. Ft. Leased 9/30/06 (c) | Pct. Leased 9/30/06 | Pct. Leased 6/30/06 |
|------------------------|------------------------|------------------------------|-----------------------------|------------------|----------------------|----------------------------|---------------------|---------------------|
| Northeast | | | | | | | | |
| Northern NJ | 1,409,488 | 139,750 | (15,064) | 12,380 | (2,684) | 1,546,554 | 90.9% | 90.2% |
| Central NJ | 917,234 | — | (5,469) | 14,197 | 8,728 | 925,962 | 77.0% | 76.3% |
| Rockland Co., NY | 152,983 | — | — | — | — | 152,983 | 65.9% | 65.9% |
| Boston, MA | 375,427 | — | (31,115) | — | (31,115) | 344,312 | 51.6% | 56.3% |
| Total Northeast | 2,855,132 | 139,750 | (51,648) | 26,577 | (25,071) | 2,969,811 | 78.1% | 77.9% |
| Other | | | | | | | | |
| Troy, MI | 951,612 | — | (134,662) | — | (134,662) | 816,950 | 67.6% | 78.7% |
| San Francisco, CA | 248,528 | — | — | 16,519 | 16,519 | 265,047 | 86.7% | 81.3% |
| Total Other | 1,200,140 | — | (134,662) | 16,519 | (118,143) | 1,081,997 | 71.5% | 79.3% |
| Company Totals | 4,055,272 | 139,750 | (186,310) | 43,096 | (143,214) | 4,051,808 | 76.2% | 78.3% |

RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

| | |
|--|------------------|
| Total sq. ft. as of June 30, 2006 | 5,177,926 |
| Total sq. ft. of properties added/sold this period | 139,750 |
| Total sq. ft. as of September 30, 2006 | <u>5,317,676</u> |

DETAIL OF TRANSACTION ACTIVITY

Detail by Region/Market

| Region/Market | # of Transactions | Total Sq. Ft. | Sq. Ft. New Leases | Sq. Ft. Renewed And Other Retained (a) | Wtd. Avg. Term (Yrs.) | Wtd. Avg. Base Rent | Leasing Costs Per Sq. Ft. Per Year (b) |
|------------------------|-------------------|---------------|--------------------|--|-----------------------|---------------------|--|
| Northeast | | | | | | | |
| Northern NJ | 3 | 12,380 | 9,455 | 2,925 | 4.6 | 23.70 | 3.50 |
| Central NJ | 2 | 14,197 | 14,197 | — | 9.3 | 23.53 | — |
| Total Northeast | 5 | 26,577 | 23,652 | 2,925 | 7.1 | 23.61 | 3.50 |
| Other | | | | | | | |
| California | 2 | 16,519 | 7,750 | 8,769 | 7.5 | 28.09 | 6.33 |
| Total Other | 2 | 16,519 | 7,750 | 8,769 | 7.5 | 28.09 | 6.33 |
| Company Totals | 7 | 43,096 | 31,402 | 11,694 | 7.3 | 25.33 | 5.71 |

(a) "Other Retained" transactions include existing tenants' expansions and relocations within the same building.

(b) Represents estimated workletter costs of \$688,911 and commissions of \$214,396 committed, but not necessarily expended, during the period for second generation space aggregating 25,754 square feet.

Leasing Statistics

(For the nine months ended September 30, 2006)

Consolidated In-Service Portfolio

SUMMARY OF SPACE LEASED

| Region/Market | Sq. Ft. Leased 12/31/05 | Leased Sq. Ft. Acquired/Sold (a) | LEASING ACTIVITY | | Net Leasing Activity | Sq. Ft. Leased 9/30/06 (c) | Pct. Leased 9/30/06 | Pct. Leased 12/31/05 |
|---------------------------|-------------------------|----------------------------------|---------------------------------|------------------|----------------------|----------------------------|---------------------|----------------------|
| | | | Expiring/Adjustment Sq. Ft. (b) | Incoming Sq. Ft. | | | | |
| Northeast | | | | | | | | |
| Northern NJ | 11,453,904 | 389,960 | (1,056,788) | 1,122,239 | 65,451 | 11,909,315 | 90.1% | 89.6% |
| Central NJ | 4,263,823 | 164,400 | (292,204) | 306,050 | 13,846 | 4,442,069 | 90.1% | 90.1% |
| Westchester Co., NY | 4,598,540 | — | (615,806) | 619,830 | 4,024 | 4,602,564 | 96.1% | 96.0% |
| Sub. Philadelphia | 3,364,652 | (88,000) | (418,124) | 419,549 | 1,425 | 3,278,077 | 90.8% | 91.0% |
| Fairfield, CT | 738,123 | — | (184,701) | 217,897 | 33,196 | 771,319 | 90.5% | 86.6% |
| Washington, DC/MD | 399,204 | 713,492 | (71,105) | 120,536 | 49,431 | 1,162,127 | 89.9% | 88.6% |
| Dutchess/Rockland Co., NY | 277,426 | (101,308) | (16,128) | 20,010 | 3,882 | 180,000 | 100.0% | 92.9% |
| Total Northeast | 25,095,672 | 1,078,544 | (2,654,856) | 2,826,111 | 171,255 | 26,345,471 | 91.3% | 90.9% |
| Other | | | | | | | | |
| Colorado | 1,387,117 | — | (109,872) | 94,042 | (15,830) | 1,371,287 | 95.8% | 96.9% |
| San Francisco | 366,469 | — | (46,511) | 65,241 | 18,730 | 385,199 | 85.4% | 81.3% |
| Total Other | 1,753,586 | — | (156,383) | 159,283 | 2,900 | 1,756,486 | 93.3% | 93.2% |
| Company Totals | 26,849,258 | 1,078,544 | (2,811,239) | 2,985,394 | 174,155 | 28,101,957 | 91.4% | 91.0% |

RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

| | |
|---|-------------------|
| Total sq. ft. as of December 31, 2005 | 29,494,371 |
| Total sq. ft. of properties added this period | 1,461,104 |
| Total sq. ft. of properties sold this period | (206,727) |
| Total sq. ft. as of September 30, 2006 | <u>30,748,748</u> |

- (a) Net gain/loss of leased square footage through properties sold, acquired or placed in service during the period.
(b) Represents the square footage of expiring leases and leases scheduled to expire in the future for which new leases or renewals were signed during the period, as well as internal administrative adjustments.
(c) Includes leases expiring September 30, 2006 aggregating 62,981 square feet for which no new leases were signed.

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Leasing Statistics

(For the nine months ended September 30, 2006)

Consolidated In-Service Portfolio (continued)

DETAIL OF TRANSACTION ACTIVITY

Detail by Region/Market

| Region/Market | Property Type | # of Transactions | Total Sq. Ft. | Sq. Ft. New Leases | Sq. Ft. Renewed And Other Retained (a) | Wtd. Avg. Term (Yrs.) | Wtd. Avg. Base Rent (b) | Leasing Costs Per Sq. Ft. Per Year (c) |
|---------------------------|----------------------|-------------------|------------------|--------------------|--|-----------------------|-------------------------|--|
| Northeast | | | | | | | | |
| Northern NJ | Office | 94 | 1,090,089 | 385,693 | 704,396 | 6.7 | 25.97 | 3.93 |
| | Office/Flex | 6 | 32,150 | 11,348 | 20,802 | 3.9 | 17.11 | 0.68 |
| Central NJ | Office | 45 | 268,457 | 108,000 | 160,457 | 4.6 | 26.01 | 4.02 |
| | Office/Flex | 8 | 37,593 | 7,939 | 29,654 | 4.4 | 16.33 | 1.75 |
| Westchester Co., NY | Office | 77 | 244,751 | 78,971 | 165,780 | 5.1 | 25.70 | 3.39 |
| | Office/Flex | 58 | 373,729 | 143,682 | 230,047 | 5.8 | 16.97 | 2.06 |
| | Industrial/Warehouse | 1 | 1,350 | 1,350 | — | 1.0 | 8.89 | 0.73 |
| Sub. Philadelphia | Office | 48 | 355,951 | 137,994 | 217,957 | 5.6 | 23.55 | 3.08 |
| | Office/Flex | 10 | 63,598 | 40,670 | 22,928 | 5.6 | 10.46 | 2.08 |
| Fairfield, CT | Office | 19 | 129,897 | 50,363 | 79,534 | 5.4 | 21.31 | 4.50 |
| | Office/Flex | 1 | 88,000 | — | 88,000 | 5.0 | 20.16 | 2.47 |
| Washington, DC/MD | Office | 20 | 120,536 | 69,565 | 50,971 | 6.2 | 31.02 | 5.13 |
| Dutchess/Rockland Co., NY | Office | 7 | 20,010 | 13,113 | 6,897 | 4.2 | 24.46 | 3.48 |
| Total Northeast | | 394 | 2,826,111 | 1,048,688 | 1,777,423 | 5.9 | 23.68 | 3.46 |
| Other | | | | | | | | |
| Colorado | Office | 19 | 94,042 | 24,799 | 69,243 | 3.6 | 16.29 | 2.01 |
| San Francisco | Office | 96 | 65,241 | 31,009 | 34,232 | 3.7 | 26.42 | 6.30 |
| Total Other | | 115 | 159,283 | 55,808 | 103,475 | 3.6 | 20.44 | 3.79 |
| Company Totals | | 509 | 2,985,394 | 1,104,496 | 1,880,898 | 5.8 | 23.51 | 3.47 |

Detail by Property Type

| | | | | | | | | |
|-----------------------|----------------------|------------|------------------|------------------|------------------|------------|--------------|-------------|
| | Office | 425 | 2,388,974 | 899,507 | 1,489,467 | 5.8 | 25.21 | 3.84 |
| | Office/Flex | 83 | 595,070 | 203,639 | 391,431 | 5.5 | 16.72 | 2.05 |
| | Industrial/Warehouse | 1 | 1,350 | 1,350 | — | 1.0 | 8.89 | 0.73 |
| Company Totals | | 509 | 2,985,394 | 1,104,496 | 1,880,898 | 5.8 | 23.51 | 3.47 |

| | | |
|--------------------------|------------------|-------|
| Tenant Retention: | Leases Retained | 62.6% |
| | Sq. Ft. Retained | 66.9% |

- (a) "Other Retained" transactions include existing tenants' expansions and relocations within the same building.
(b) For Office/Flex properties, equals triple net rent plus common area costs and real estate taxes.
(c) Represents estimated workletter costs of \$39,073,888 and commissions of \$15,902,185 committed, but not necessarily expended, during the period for second generation space aggregating 2,777,115 square feet.

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Leasing Statistics

(For the nine months ended September 30, 2006)

Unconsolidated Joint Venture Properties

SUMMARY OF SPACE LEASED

| LEASING ACTIVITY | | | | | | | | |
|------------------------|-------------------------|------------------------------|-----------------------------|------------------|----------------------|----------------------------|---------------------|----------------------|
| State | Sq. Ft. Leased 12/31/05 | Leased Sq. Ft. Acquired/Sold | Expiring/Adjustment Sq. Ft. | Incoming Sq. Ft. | Net Leasing Activity | Sq. Ft. Leased 9/30/06 (c) | Pct. Leased 9/30/06 | Pct. Leased 12/31/05 |
| Northeast | | | | | | | | |
| Northern NJ | — | 1,549,238 | (29,242) | 26,558 | (2,684) | 1,546,554 | 90.9% | — |
| Central NJ | — | 928,279 | (16,514) | 14,197 | (2,317) | 925,962 | 77.0% | — |
| Rockland Co., NY | 152,983 | — | (17,000) | 17,000 | — | 152,983 | 65.9% | 65.9% |
| Boston, MA | — | 375,427 | (31,115) | — | (31,115) | 344,312 | 51.6% | — |
| Total Northeast | 152,983 | 2,852,944 | (93,871) | 57,755 | (36,116) | 2,969,811 | 78.1% | 65.9% |
| Other | | | | | | | | |
| Troy, MI | — | 951,612 | (134,662) | — | (134,662) | 816,950 | 67.6% | — |
| San Francisco, CA | 275,838 | — | (27,310) | 16,519 | (10,791) | 265,047 | 86.7% | 90.3% |
| Total Other | 275,838 | 951,612 | (161,972) | 16,519 | (145,453) | 1,081,997 | 71.5% | 90.3% |
| Company Totals | 428,821 | 3,804,556 | (255,843) | 74,274 | (181,569) | 4,051,808 | 76.2% | 79.8% |

RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

| | |
|--|-----------|
| Total sq. ft. as of December 31, 2005 | 537,618 |
| Total sq. ft. of properties added/sold this period | 4,780,058 |
| Total sq. ft. as of September 30, 2006 | 5,317,676 |

DETAIL OF TRANSACTION ACTIVITY

Detail by Region/Market

| Region/Market | # of Trans actions | Total Sq. Ft. | Sq. Ft. New Leases | Sq. Ft. Renewed And Other Retained (a) | Wtd. Avg. Term (Yrs.) | Wtd. Avg. Base Rent | Leasing Costs Per Sq. Ft. Per Year (b) |
|------------------------|--------------------|---------------|--------------------|--|-----------------------|---------------------|--|
| Northeast | | | | | | | |
| Northern NJ | 4 | 26,558 | 9,455 | 17,103 | 4.3 | 21.58 | 1.94 |
| Central NJ | 2 | 14,197 | 14,197 | — | 9.3 | 23.53 | — |
| Rockland Co., NY | 1 | 17,000 | — | 17,000 | 5.0 | 16.65 | 2.04 |
| Total Northeast | 7 | 57,755 | 23,652 | 34,103 | 5.7 | 20.61 | 1.99 |
| Other | | | | | | | |
| California | 2 | 16,519 | 7,750 | 8,769 | 7.5 | 28.09 | 6.33 |
| Total Other | 2 | 16,519 | 7,750 | 8,769 | 7.5 | 28.09 | 6.33 |
| Company Totals | 9 | 74,274 | 31,402 | 42,872 | 6.1 | 22.27 | 3.78 |

(a) "Other Retained" transactions include existing tenants' expansions and relocations within the same building.

(b) Represents estimated workletter costs of \$802,113 and commissions of \$330,550 committed, but not necessarily expended, during the period for second generation space aggregating 56,932 square feet.

Market Diversification

The following table lists the Company's markets (MSAs), based on annualized contractual base rent of the Consolidated Properties:

| Market (MSA) | Annualized Base Rental Revenue (\$) | Percentage of Company Annualized Base Rental Revenue (%) | Total Property Size Rentable Area | Percentage of Rentable Area (%) |
|--|-------------------------------------|--|-----------------------------------|---------------------------------|
| Jersey City, NJ | 111,285,741 | 18.8 | 4,317,978 | 13.9 |
| Newark, NJ (Essex-Morris-Union Counties) | 106,534,380 | 17.9 | 5,847,318 | 18.9 |
| Bergen-Passaic, NJ | 92,407,213 | 15.5 | 4,602,401 | 15.0 |
| New York, NY (Westchester-Rockland Counties) | 92,103,882 | 15.4 | 4,968,420 | 16.2 |
| Philadelphia, PA-NJ | 55,017,121 | 9.2 | 3,529,994 | 11.5 |
| Washington, DC-MD-VA-WV | 30,558,373 | 5.1 | 1,292,807 | 4.2 |
| Monmouth-Ocean, NJ | 25,317,932 | 4.2 | 1,620,863 | 5.3 |
| Middlesex-Somerset-Hunterdon, NJ | 19,484,684 | 3.3 | 986,760 | 3.2 |
| Trenton, NJ | 17,243,497 | 2.9 | 767,365 | 2.5 |
| Denver, CO | 15,123,126 | 2.5 | 951,202 | 3.1 |
| Stamford-Norwalk, CT | 13,464,046 | 2.3 | 706,510 | 2.3 |
| San Francisco, CA | 8,757,917 | 1.5 | 450,891 | 1.5 |
| Bridgeport, CT | 2,520,078 | 0.4 | 145,487 | 0.5 |
| Boulder-Longmont, CO | 2,366,527 | 0.4 | 270,421 | 0.9 |
| Atlantic-Cape May, NJ | 2,050,538 | 0.3 | 80,344 | 0.3 |
| Colorado Springs, CO | 1,997,290 | 0.3 | 209,987 | 0.7 |
| Totals | 596,232,345 | 100.0 | 30,748,748 | 100.0 |

- (a) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (b) Includes leases in effect as of the period end date, some of which have commencement dates in the future (including a lease consisting of 15,125 square feet scheduled to commence in 2009), and leases expiring September 30, 2006 aggregating 62,981 feet and representing annualized rent of \$1,328,043 for which no new leases were signed.
- (c) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

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Industry Diversification

The following table lists the Company's 30 largest industry classifications based on annualized contractual base rent of the Consolidated Properties:

| <u>Industry Classification (a)</u> | <u>Annualized Base Rental Revenue (S) (b) (c) (d)</u> | <u>Percentage of Company Annualized Base Rental Revenue (%)</u> | <u>Square Feet Leased (c) (d)</u> | <u>Percentage of Total Company Leased Sq. Ft. (%)</u> |
|--|---|---|---|---|
| Securities, Commodity Contracts & Other Financial | 101,100,675 | 17.0 | 3,855,134 | 14.0 |
| Manufacturing | 48,751,137 | 8.2 | 2,417,986 | 8.8 |
| Insurance Carriers & Related Activities | 46,739,161 | 7.8 | 2,113,604 | 7.6 |
| Computer System Design Services | 33,096,410 | 5.6 | 1,571,656 | 5.7 |
| Telecommunications | 30,309,669 | 5.1 | 1,407,886 | 5.1 |
| Credit Intermediation & Related Activities | 29,502,855 | 4.9 | 1,211,319 | 4.4 |
| Health Care & Social Assistance | 26,707,085 | 4.5 | 1,399,206 | 5.1 |
| Legal Services | 24,489,036 | 4.1 | 998,789 | 3.6 |
| Wholesale Trade | 23,562,757 | 4.0 | 1,476,156 | 5.3 |
| Scientific Research/Development | 21,117,672 | 3.5 | 950,104 | 3.4 |
| Accounting/Tax Prep. | 17,496,147 | 2.9 | 759,343 | 2.7 |
| Other Professional | 16,392,241 | 2.7 | 697,431 | 2.5 |
| Public Administration | 16,341,871 | 2.7 | 636,601 | 2.3 |
| Retail Trade | 16,273,239 | 2.7 | 976,938 | 3.5 |
| Advertising/Related Services | 15,439,216 | 2.6 | 643,491 | 2.3 |
| Real Estate & Rental & Leasing | 12,667,669 | 2.1 | 656,039 | 2.4 |
| Information Services | 12,557,437 | 2.1 | 583,953 | 2.1 |
| Architectural/Engineering | 11,266,123 | 1.9 | 482,734 | 1.7 |
| Other Services (except Public Administration) | 11,070,442 | 1.9 | 600,984 | 2.2 |
| Arts, Entertainment & Recreation | 10,464,862 | 1.8 | 664,557 | 2.4 |
| Broadcasting | 7,472,541 | 1.3 | 474,532 | 1.7 |
| Construction | 7,141,701 | 1.2 | 350,973 | 1.3 |
| Utilities | 6,316,637 | 1.1 | 312,222 | 1.1 |
| Publishing Industries | 6,273,857 | 1.1 | 281,041 | 1.0 |
| Educational Services | 5,889,595 | 1.0 | 292,665 | 1.1 |
| Data Processing Services | 5,780,473 | 1.0 | 248,067 | 0.9 |
| Transportation | 5,470,248 | 0.9 | 298,099 | 1.1 |
| Management of Companies & Finance | 4,420,677 | 0.7 | 190,027 | 0.7 |
| Admin & Support, Waste Mgt. & Remediation Services | 4,170,714 | 0.7 | 272,095 | 1.0 |
| Specialized Design Services | 3,861,600 | 0.6 | 179,671 | 0.7 |
| Other | 14,088,598 | 2.3 | 634,014 | 2.3 |
| Totals | 596,232,345 | 100.0 | 27,637,317 | 100.0 |

- (a) The Company's tenants are classified according to the U.S. Government's North American Industrial Classification System (NAICS) which has replaced the Standard Industrial Code (SIC) system.
- (b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (c) Includes office, office/flex, industrial/warehouse and stand-alone retail tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.
- (d) Includes leases in effect as of the period end date, some of which have commencement dates in the future (including a lease consisting of 15,125 square feet scheduled to commence in 2009), and leases expiring September 30, 2006 aggregating 62,981 square feet and representing annualized rent of \$1,328,043 for which no new leases were signed.

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Consolidated Portfolio Analysis (a)

(as of September 30, 2006)

Breakdown by Number of Properties

PROPERTY TYPE:

| <u>STATE</u> | <u>Office</u> | <u>% of Total</u> | <u>Office/Flex</u> | <u>% of Total</u> | <u>Industrial/ Warehouse</u> | <u>% of Total</u> | <u>Stand- Alone Retail</u> | <u>% of Total</u> | <u>Land Leases</u> | <u>% of Total</u> | <u>TOTALS By State</u> | <u>% of Total</u> |
|--------------|---------------|-----------------------|--------------------|-----------------------|----------------------------------|-----------------------|------------------------------------|-----------------------|------------------------|-----------------------|----------------------------|-----------------------|
| New Jersey | 98 | 35.5% | 49 | 17.9% | — | — | — | — | — | — | 147 | 53.4% |

| | | | | | | | | | | | | |
|-----------------------|------------|--------------|-----------|--------------|----------|-------------|----------|-------------|----------|-------------|------------|---------------|
| New York | 20 | 7.2% | 41 | 14.9% | 6 | 2.2% | 2 | 0.7% | 2 | 0.7% | 71 | 25.7% |
| Pennsylvania | 18 | 6.5% | — | — | — | — | — | — | — | — | 18 | 6.5% |
| Connecticut | 4 | 1.4% | 5 | 1.8% | — | — | — | — | — | — | 9 | 3.2% |
| Wash., D.C./ Maryland | 10 | 3.6% | — | — | — | — | — | — | — | — | 10 | 3.6% |
| Sub-total | | | | | | | | | | | | |
| Northeast: | 150 | 54.2% | 95 | 34.6% | 6 | 2.2% | 2 | 0.7% | 2 | 0.7% | 255 | 92.4% |
| California | 2 | 0.7% | — | — | — | — | — | — | — | — | 2 | 0.7% |
| Colorado | 19 | 6.9% | — | — | — | — | — | — | — | — | 19 | 6.9% |
| TOTALS | | | | | | | | | | | | |
| By Type: | 171 | 61.8% | 95 | 34.6% | 6 | 2.2% | 2 | 0.7% | 2 | 0.7% | 276 | 100.0% |

(a) Excludes 45 properties, aggregating approximately 5.3 million square feet, which are not consolidated by the Company.

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Consolidated Portfolio Analysis (a)

(as of September 30, 2006)

Breakdown by Square Footage

PROPERTY TYPE:

| STATE | Office | % of Total | Office/Flex | % of Total | Industrial/Warehouse | % of Total | Stand-Alone Retail | % of Total | TOTALS By State | % of Total |
|------------------------|-------------------|--------------|------------------|--------------|----------------------|-------------|--------------------|-------------|-------------------|---------------|
| New Jersey | 17,537,754 | 57.0% | 2,189,531 | 7.1% | — | — | — | — | 19,727,285 | 64.1% |
| New York | 2,214,908 | 7.2% | 2,348,812 | 7.6% | 387,400 | 1.3% | 17,300 | 0.1% | 4,968,420 | 16.2% |
| Pennsylvania | 2,025,738 | 6.6% | — | — | — | — | — | — | 2,025,738 | 6.6% |
| Connecticut | 578,997 | 1.9% | 273,000 | 0.9% | — | — | — | — | 851,997 | 2.8% |
| Wash., D.C./ Maryland | 1,292,807 | 4.2% | — | — | — | — | — | — | 1,292,807 | 4.2% |
| Sub-total | | | | | | | | | | |
| Northeast | 23,650,204 | 76.9% | 4,811,343 | 15.6% | 387,400 | 1.3% | 17,300 | 0.1% | 28,866,247 | 93.9% |
| California | 450,891 | 1.5% | — | — | — | — | — | — | 450,891 | 1.5% |
| Colorado | 1,431,610 | 4.6% | — | — | — | — | — | — | 1,431,610 | 4.6% |
| TOTALS By Type: | 25,532,705 | 83.0% | 4,811,343 | 15.6% | 387,400 | 1.3% | 17,300 | 0.1% | 30,748,748 | 100.0% |

(a) Excludes 45 properties, aggregating approximately 5.3 million square feet, which are not consolidated by the Company.

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Consolidated Portfolio Analysis (a)

(Year ended September 30, 2006)

Breakdown by Base Rental Revenue (b)

(Dollars in thousands)

PROPERTY TYPE:

| STATE | Office | % of Total | Office/Flex | % of Total | Indust./ Warehouse | % of Total | Stand-Alone Retail | % of Total | Land Leases | % of Total | TOTALS By State | % of Total |
|-----------------------------|----------------|--------------|---------------|-------------|--------------------|-------------|--------------------|-------------|-------------|-------------|-----------------|---------------|
| New Jersey | 349,139 | 61.7% | 18,570 | 3.3% | — | — | — | — | — | — | 367,709 | 65.0% |
| New York | 51,047 | 9.0% | 32,723 | 5.8% | 4,196 | 0.7% | 517 | 0.1% | 307 | 0.1% | 88,790 | 15.7% |
| Pennsylvania | 41,899 | 7.4% | — | — | — | — | — | — | — | — | 41,899 | 7.4% |
| Connecticut | 11,511 | 2.0% | 3,870 | 0.7% | — | — | — | — | — | — | 15,381 | 2.7% |
| Wash., D.C./ Maryland | 21,681 | 3.8% | — | — | — | — | — | — | — | — | 21,681 | 3.8% |
| Sub-total Northeast: | 475,277 | 83.9% | 55,163 | 9.8% | 4,196 | 0.7% | 517 | 0.1% | 307 | 0.1% | 535,460 | 94.6% |
| California | 11,029 | 2.0% | — | — | — | — | — | — | — | — | 11,029 | 2.0% |
| Colorado | 19,212 | 3.4% | — | — | — | — | — | — | — | — | 19,212 | 3.4% |
| TOTALS By Type: | 505,518 | 89.3% | 55,163 | 9.8% | 4,196 | 0.7% | 517 | 0.1% | 307 | 0.1% | 565,701 | 100.0% |

(a) Excludes 45 properties, aggregating approximately 5.3 million square feet, which are not consolidated by the Company.

(b) Total base rent for the 12 months ended September 30, 2006, determined in accordance with GAAP. Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenants' proportionate share of and/or increases in real estate taxes and certain costs, as defined, and the pass through of charges for electrical usage.

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Consolidated Portfolio Analysis (a) (b)

(as of September 30, 2006)

Breakdown by Percentage Leased

PROPERTY TYPE:

| STATE | Office | Office/Flex | Industrial/Warehouse | Stand-Alone Retail | WEIGHTED AVG. By State |
|-------------------------------|--------------|--------------|----------------------|--------------------|---------------------------|
| New Jersey | 90.3% | 90.3% | — | — | 90.3% |
| New York | 94.3% | 97.8% | 98.1% | 100.0% | 96.3% |
| Pennsylvania | 89.9% | — | — | — | 89.9% |
| Connecticut | 86.8% | 98.4% | — | — | 90.5% |
| Washington, D.C./ Maryland | 89.9% | — | — | — | 89.9% |
| Sub-total Northeast | 90.5% | 94.4% | 98.1% | 100.0% | 91.3% |
| California | 85.4% | — | — | — | 85.4% |
| Colorado | 95.8% | — | — | — | 95.8% |
| WEIGHTED AVG. By Type: | 90.7% | 94.4% | 98.1% | 100.0% | 91.4% |

- (a) Excludes 45 properties, aggregating approximately 5.3 million square feet, which are not consolidated by the Company, and parcels of land leased to others.
- (b) Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at September 30, 2006, a lease with commencement date substantially in the future consisting of 15,125 square feet scheduled to commence in 2009), as well as leases expiring September 30, 2006 aggregating 62,981 square feet for which no new leases were signed.

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Property Listing

Office Properties

| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| ATLANTIC COUNTY, NEW JERSEY | | | | | | |
| Egg Harbor | | | | | | |
| 100 Decadon Drive | 1987 | 40,422 | 100.0 | 952 | 0.17 | 23.55 |
| 200 Decadon Drive | 1991 | 39,922 | 100.0 | 929 | 0.16 | 23.27 |
| BERGEN COUNTY, NEW JERSEY | | | | | | |
| Fair Lawn | | | | | | |
| 17-17 Route 208 North | 1987 | 143,000 | 100.0 | 3,461 | 0.61 | 24.20 |
| Fort Lee | | | | | | |
| One Bridge Plaza | 1981 | 200,000 | 44.3 | 3,170 | 0.56 | 35.78 |
| 2115 Linwood Avenue | 1981 | 68,000 | 62.6 | 1,361 | 0.24 | 31.97 |
| Little Ferry | | | | | | |
| 200 Riser Road | 1974 | 286,628 | 100.0 | 2,066 | 0.37 | 7.21 |
| Montvale | | | | | | |
| 95 Chestnut Ridge Road | 1975 | 47,700 | 100.0 | 796 | 0.14 | 16.69 |
| 135 Chestnut Ridge Road | 1981 | 66,150 | 88.9 | 1,460 | 0.26 | 24.83 |
| Paramus | | | | | | |
| 15 East Midland Avenue | 1988 | 259,823 | 100.0 | 5,692 | 1.02 | 21.91 |
| 140 East Ridgewood Avenue | 1981 | 239,680 | 92.1 | 4,780 | 0.84 | 21.65 |
| 461 From Road | 1988 | 253,554 | 98.6 | 6,064 | 1.07 | 24.26 |
| 650 From Road | 1978 | 348,510 | 93.8 | 8,047 | 1.42 | 24.62 |
| 61 South Paramus Avenue | 1985 | 269,191 | 97.6 | 6,479 | 1.15 | 24.66 |
| Ridgefield Park | | | | | | |
| 105 Challenger Road (e) | 1992 | 150,050 | 87.5 | 1,462 | 0.26 | 28.03 |
| Rochelle Park | | | | | | |
| 120 Passaic Street | 1972 | 52,000 | 99.6 | 1,402 | 0.25 | 27.07 |
| 365 West Passaic Street | 1976 | 212,578 | 97.6 | 4,112 | 0.73 | 19.82 |
| 395 West Passaic Street (e) | 1979 | 100,589 | 89.6 | 378 | 0.07 | 24.69 |
| Upper Saddle River | | | | | | |
| 1 Lake Street | 1973/94 | 474,801 | 100.0 | 7,465 | 1.32 | 15.72 |
| 10 Mountainview Road | 1986 | 192,000 | 100.0 | 4,316 | 0.76 | 22.48 |
| Woodcliff Lake | | | | | | |
| 400 Chestnut Ridge Road | 1982 | 89,200 | 100.0 | 1,950 | 0.34 | 21.86 |
| 470 Chestnut Ridge Road | 1987 | 52,500 | 81.2 | 589 | 0.10 | 13.82 |
| 530 Chestnut Ridge Road | 1986 | 57,204 | 100.0 | 1,166 | 0.21 | 20.38 |
| 50 Tice Boulevard | 1984 | 235,000 | 100.0 | 6,138 | 1.09 | 26.12 |
| 300 Tice Boulevard | 1991 | 230,000 | 100.0 | 6,276 | 1.11 | 27.29 |
| BURLINGTON COUNTY, NEW JERSEY | | | | | | |
| Moorestown | | | | | | |
| 224 Strawbridge Drive | 1984 | 74,000 | 92.8 | 1,276 | 0.23 | 18.58 |
| 228 Strawbridge Drive | 1984 | 74,000 | 100.0 | 1,043 | 0.18 | 14.09 |
| 232 Strawbridge Drive | 1986 | 74,258 | 98.8 | 1,452 | 0.26 | 19.79 |
| ESSEX COUNTY, NEW JERSEY | | | | | | |
| Millburn | | | | | | |
| 150 J.F. Kennedy Parkway | 1980 | 247,476 | 100.0 | 7,258 | 1.28 | 29.33 |
| Roseland | | | | | | |
| 101 Eisenhower Parkway | 1980 | 237,000 | 94.9 | 5,501 | 0.97 | 24.46 |
| 103 Eisenhower Parkway | 1985 | 151,545 | 80.0 | 3,054 | 0.54 | 25.19 |
| 105 Eisenhower Parkway | 2001 | 220,000 | 85.8 | 4,001 | 0.71 | 21.20 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|----------------------------------|------------|------------------------|---|----------------------------------|--|---|
| HUDSON COUNTY, NEW JERSEY | | | | | | |

| Jersey City | | | | | | |
|---------------------------------------|------|-----------|-------|--------|------|-------|
| Harborside Financial Center Plaza 1 | 1983 | 400,000 | 92.8 | 3,868 | 0.68 | 10.42 |
| Harborside Financial Center Plaza 2 | 1990 | 761,200 | 100.0 | 18,311 | 3.24 | 24.06 |
| Harborside Financial Center Plaza 3 | 1990 | 725,600 | 100.0 | 17,782 | 3.14 | 24.51 |
| Harborside Financial Center Plaza 4-A | 2000 | 207,670 | 99.1 | 6,726 | 1.19 | 32.68 |
| Harborside Financial Center Plaza 5 | 2002 | 977,225 | 99.4 | 34,514 | 6.11 | 35.53 |
| 101 Hudson Street | 1992 | 1,246,283 | 100.0 | 28,846 | 5.10 | 23.15 |
| MERCER COUNTY, NEW JERSEY | | | | | | |
| Hamilton Township | | | | | | |
| 600 Horizon Drive | 2002 | 95,000 | 100.0 | 1,373 | 0.24 | 14.45 |
| Princeton | | | | | | |
| 103 Carnegie Center | 1984 | 96,000 | 99.4 | 2,372 | 0.42 | 24.86 |
| 3 Independence Way | 1983 | 111,300 | 49.9 | 749 | 0.13 | 13.49 |
| 100 Overlook Center | 1988 | 149,600 | 100.0 | 4,247 | 0.75 | 28.39 |
| 5 Vaughn Drive | 1987 | 98,500 | 94.0 | 2,368 | 0.42 | 25.58 |
| MIDDLESEX COUNTY, NEW JERSEY | | | | | | |
| East Brunswick | | | | | | |
| 377 Summerhill Road | 1977 | 40,000 | 100.0 | 353 | 0.06 | 8.83 |
| Edison | | | | | | |
| 343 Thornall Street (e) | 1991 | 195,709 | 96.8 | 1,068 | 0.19 | 14.19 |
| Piscataway | | | | | | |
| 30 Knightsbridge Road, Bldg. 3 | 1977 | 160,000 | 100.0 | 2,465 | 0.44 | 15.41 |
| 30 Knightsbridge Road, Bldg. 4 | 1977 | 115,000 | 100.0 | 1,771 | 0.31 | 15.40 |
| 30 Knightsbridge Road, Bldg. 5 | 1977 | 332,607 | 43.6 | 811 | 0.14 | 5.59 |
| 30 Knightsbridge Road, Bldg. 6 | 1977 | 72,743 | 47.2 | 8 | 0.00 | 0.23 |
| Plainsboro | | | | | | |
| 500 College Road East | 1984 | 158,235 | 95.7 | 4,043 | 0.71 | 26.70 |
| Woodbridge | | | | | | |
| 581 Main Street | 1991 | 200,000 | 100.0 | 4,399 | 0.78 | 22.00 |
| MONMOUTH COUNTY, NEW JERSEY | | | | | | |
| Freehold | | | | | | |
| 2 Paragon Way | 1989 | 44,524 | 90.9 | 693 | 0.12 | 17.12 |
| 3 Paragon Way | 1991 | 66,898 | 58.4 | 729 | 0.13 | 18.66 |
| 4 Paragon Way | 2002 | 63,989 | 100.0 | 1,167 | 0.21 | 18.24 |
| 100 Willowbrook Road | 1988 | 60,557 | 74.8 | 799 | 0.14 | 17.64 |
| Holmdel | | | | | | |
| 23 Main Street | 1977 | 350,000 | 100.0 | 4,234 | 0.75 | 12.10 |
| Middletown | | | | | | |
| One River Centre Bldg. 1 | 1983 | 122,594 | 100.0 | 2,935 | 0.52 | 23.94 |
| One River Centre Bldg. 2 | 1983 | 120,360 | 100.0 | 2,775 | 0.49 | 23.06 |
| One River Centre Bldg. 3 | 1984 | 214,518 | 88.3 | 4,371 | 0.77 | 23.08 |
| Neptune | | | | | | |
| 3600 Route 66 | 1989 | 180,000 | 100.0 | 2,400 | 0.42 | 13.33 |
| Wall Township | | | | | | |
| 1305 Campus Parkway | 1988 | 23,350 | 92.4 | 356 | 0.06 | 16.50 |
| 1350 Campus Parkway | 1990 | 79,747 | 99.9 | 1,564 | 0.28 | 19.63 |
| MORRIS COUNTY, NEW JERSEY | | | | | | |
| Florham Park | | | | | | |
| 325 Columbia Turnpike | 1987 | 168,144 | 99.4 | 4,058 | 0.72 | 24.28 |

| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| Morris Plains | | | | | | |
| 250 Johnson Road | 1977 | 75,000 | 100.0 | 1,583 | 0.28 | 21.11 |
| 201 Littleton Road | 1979 | 88,369 | 88.9 | 1,783 | 0.32 | 22.70 |
| Morris Township | | | | | | |
| 412 Mt. Kemble Avenue | 1986 | 475,100 | 5.8 | 26 | 0.00 | 0.94 |
| Parsippany | | | | | | |
| 4 Campus Drive | 1983 | 147,475 | 96.8 | 3,139 | 0.55 | 21.99 |
| 6 Campus Drive | 1983 | 148,291 | 76.6 | 2,257 | 0.40 | 19.87 |
| 7 Campus Drive | 1982 | 154,395 | 0.0 | 509 | 0.09 | 0.00 |
| 8 Campus Drive | 1987 | 215,265 | 100.0 | 6,274 | 1.12 | 29.15 |
| 9 Campus Drive | 1983 | 156,495 | 92.0 | 3,684 | 0.65 | 25.59 |
| 4 Century Drive | 1981 | 100,036 | 71.9 | 1,465 | 0.26 | 20.37 |
| 5 Century Drive | 1981 | 79,739 | 67.2 | 1,993 | 0.35 | 37.19 |
| 6 Century Drive | 1981 | 100,036 | 69.9 | 48 | 0.01 | 0.69 |
| 2 Dryden Way | 1990 | 6,216 | 100.0 | 120 | 0.02 | 19.31 |
| 4 Gatehall Drive | 1988 | 248,480 | 77.1 | 5,184 | 0.92 | 27.06 |
| 2 Hilton Court | 1991 | 181,592 | 100.0 | 5,088 | 0.90 | 28.02 |
| 1633 Littleton Road | 1978 | 57,722 | 100.0 | 1,131 | 0.20 | 19.59 |
| 600 Parsippany Road | 1978 | 96,000 | 76.1 | 1,231 | 0.22 | 16.85 |
| 1 Sylvan Way | 1989 | 150,557 | 100.0 | 3,499 | 0.62 | 23.24 |
| 5 Sylvan Way | 1989 | 151,383 | 100.0 | 3,999 | 0.71 | 26.42 |
| 7 Sylvan Way | 1987 | 145,983 | 100.0 | 3,146 | 0.56 | 21.55 |
| 35 Waterview Boulevard (e) | 1990 | 172,498 | 87.2 | 1,644 | 0.29 | 27.51 |
| 5 Wood Hollow Road | 1979 | 317,040 | 88.0 | 4,968 | 0.88 | 17.81 |
| PASSAIC COUNTY, NEW JERSEY | | | | | | |
| Clifton | | | | | | |
| 777 Passaic Avenue | 1983 | 75,000 | 100.0 | 1,545 | 0.27 | 20.60 |
| Totowa | | | | | | |
| 999 Riverview Drive | 1988 | 56,066 | 100.0 | 1,063 | 0.19 | 18.96 |
| SOMERSET COUNTY, NEW JERSEY | | | | | | |
| Basking Ridge | | | | | | |
| 222 Mt. Airy Road | 1986 | 49,000 | 60.7 | 615 | 0.11 | 20.68 |
| 233 Mt. Airy Road | 1987 | 66,000 | 100.0 | 1,315 | 0.23 | 19.92 |
| Bernards | | | | | | |
| 106 Allen Road | 2000 | 132,010 | 93.2 | 2,992 | 0.53 | 24.32 |
| Bridgewater | | | | | | |
| 721 Route 202/206 | 1989 | 192,741 | 87.8 | 3,943 | 0.70 | 23.30 |
| UNION COUNTY, NEW JERSEY | | | | | | |
| Clark | | | | | | |
| 100 Walnut Avenue | 1985 | 182,555 | 100.0 | 4,734 | 0.84 | 25.93 |
| Cranford | | | | | | |
| 6 Commerce Drive | 1973 | 56,000 | 83.2 | 1,177 | 0.21 | 25.26 |

| | | | | | | |
|-----------------------|------|---------|-------|-------|------|-------|
| 11 Commerce Drive (c) | 1981 | 90,000 | 94.2 | 1,244 | 0.22 | 14.67 |
| 12 Commerce Drive | 1967 | 72,260 | 95.1 | 955 | 0.17 | 13.90 |
| 14 Commerce Drive | 1971 | 67,189 | 100.0 | 1,275 | 0.23 | 18.98 |
| 20 Commerce Drive | 1990 | 176,600 | 100.0 | 4,095 | 0.72 | 23.19 |
| 25 Commerce Drive | 1971 | 67,749 | 100.0 | 1,427 | 0.25 | 21.06 |
| 65 Jackson Drive | 1984 | 82,778 | 93.6 | 1,948 | 0.34 | 25.14 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| New Providence | | | | | | |
| 890 Mountain Avenue | 1977 | 80,000 | 87.1 | 1,789 | 0.32 | 25.67 |
| Total New Jersey Office | | 17,537,754 | 90.3 | 349,139 | 61.76 | 22.57 |
| ROCKLAND COUNTY, NEW YORK | | | | | | |
| Stuffer | | | | | | |
| 400 Rella Boulevard | 1988 | 180,000 | 100.0 | 4,409 | 0.78 | 24.49 |
| WESTCHESTER COUNTY, NEW YORK | | | | | | |
| Elmsford | | | | | | |
| 100 Clearbrook Road (c) | 1975 | 60,000 | 99.5 | 1,118 | 0.20 | 18.73 |
| 101 Executive Boulevard | 1971 | 50,000 | 45.3 | 537 | 0.09 | 23.71 |
| 555 Taxter Road | 1986 | 170,554 | 100.0 | 4,089 | 0.72 | 23.97 |
| 565 Taxter Road | 1988 | 170,554 | 100.0 | 3,971 | 0.70 | 23.28 |
| 570 Taxter Road | 1972 | 75,000 | 98.4 | 1,842 | 0.33 | 24.96 |
| Hawthorne | | | | | | |
| 1 Skyline Drive | 1980 | 20,400 | 99.0 | 392 | 0.07 | 19.41 |
| 2 Skyline Drive | 1987 | 30,000 | 98.9 | 459 | 0.08 | 15.47 |
| 7 Skyline Drive | 1987 | 109,000 | 95.3 | 2,511 | 0.44 | 24.17 |
| 17 Skyline Drive | 1989 | 85,000 | 51.7 | 879 | 0.16 | 20.00 |
| 19 Skyline Drive | 1982 | 248,400 | 100.0 | 4,479 | 0.79 | 18.03 |
| Tarrytown | | | | | | |
| 200 White Plains Road | 1982 | 89,000 | 84.2 | 1,896 | 0.34 | 25.30 |
| 220 White Plains Road | 1984 | 89,000 | 79.4 | 1,868 | 0.33 | 26.43 |
| White Plains | | | | | | |
| 1 Barker Avenue | 1975 | 68,000 | 97.3 | 1,742 | 0.31 | 26.33 |
| 3 Barker Avenue | 1983 | 65,300 | 91.0 | 1,677 | 0.30 | 28.22 |
| 50 Main Street | 1985 | 309,000 | 99.3 | 9,095 | 1.62 | 29.64 |
| 11 Martine Avenue | 1987 | 180,000 | 96.1 | 4,914 | 0.87 | 28.41 |
| 1 Water Street | 1979 | 45,700 | 95.4 | 994 | 0.18 | 22.80 |
| Yonkers | | | | | | |
| 1 Executive Boulevard | 1982 | 112,000 | 100.0 | 2,707 | 0.48 | 24.17 |
| 3 Executive Plaza | 1987 | 58,000 | 100.0 | 1,468 | 0.26 | 25.31 |
| Total New York Office | | 2,214,908 | 94.3 | 51,047 | 9.05 | 24.45 |
| CHESTER COUNTY, PENNSYLVANIA | | | | | | |
| Berwyn | | | | | | |
| 1000 Westlakes Drive | 1989 | 60,696 | 95.7 | 1,594 | 0.28 | 27.44 |
| 1055 Westlakes Drive | 1990 | 118,487 | 96.8 | 2,990 | 0.53 | 26.07 |
| 1205 Westlakes Drive | 1988 | 130,265 | 67.7 | 2,230 | 0.39 | 25.29 |
| 1235 Westlakes Drive | 1986 | 134,902 | 96.8 | 2,765 | 0.49 | 21.17 |
| DELAWARE COUNTY, PENNSYLVANIA | | | | | | |
| Lester | | | | | | |
| 100 Stevens Drive | 1986 | 95,000 | 100.0 | 2,551 | 0.45 | 26.85 |
| 200 Stevens Drive | 1987 | 208,000 | 100.0 | 5,598 | 0.99 | 26.91 |
| 300 Stevens Drive | 1992 | 68,000 | 100.0 | 1,540 | 0.27 | 22.65 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--|------------|------------------------|---|----------------------------------|--|---|
| Media | | | | | | |
| 1400 Providence Road – Center I | 1986 | 100,000 | 96.7 | 1,999 | 0.35 | 20.67 |
| 1400 Providence Road – Center II | 1990 | 160,000 | 95.8 | 3,397 | 0.60 | 22.16 |
| MONTGOMERY COUNTY, PENNSYLVANIA | | | | | | |
| Bala Cynwvd | | | | | | |
| 150 Monument Road | 1981 | 125,783 | 98.4 | 2,272 | 0.40 | 18.36 |
| Blue Bell | | | | | | |
| 4 Sentry Parkway | 1982 | 63,930 | 94.1 | 1,373 | 0.24 | 22.82 |
| 5 Sentry Parkway East | 1984 | 91,600 | 30.5 | 1,567 | 0.28 | 56.09 |
| 5 Sentry Parkway West | 1984 | 38,400 | 100.0 | 590 | 0.10 | 15.36 |
| 16 Sentry Parkway | 1988 | 93,093 | 94.4 | 2,261 | 0.40 | 25.73 |
| 18 Sentry Parkway | 1988 | 95,010 | 97.6 | 2,057 | 0.36 | 22.18 |
| King of Prussia | | | | | | |
| 2200 Renaissance Boulevard | 1985 | 174,124 | 83.6 | 3,419 | 0.60 | 23.49 |
| Lower Providence | | | | | | |
| 1000 Madison Avenue | 1990 | 100,700 | 71.4 | 748 | 0.13 | 10.40 |
| Plymouth Meeting | | | | | | |
| 1150 Plymouth Meeting Mall | 1970 | 167,748 | 95.5 | 2,948 | 0.52 | 18.40 |
| Total Pennsylvania Office | | 2,025,738 | 89.9 | 41,899 | 7.38 | 23.01 |
| FAIRFIELD COUNTY, CONNECTICUT | | | | | | |
| Greenwich | | | | | | |
| 500 West Putnam Avenue | 1973 | 121,250 | 96.3 | 3,326 | 0.60 | 28.48 |
| Norwalk | | | | | | |
| 40 Richards Avenue | 1985 | 145,487 | 79.6 | 2,536 | 0.45 | 21.90 |

| | | | | | | |
|--|------|----------------|-------------|---------------|-------------|--------------|
| Shelton | | | | | | |
| 1000 Bridgeport Avenue | 1986 | 133,000 | 93.6 | 2,062 | 0.36 | 16.56 |
| Stamford | | | | | | |
| 1266 East Main Street | 1984 | 179,260 | 81.3 | 3,587 | 0.63 | 24.61 |
| Total Connecticut Office | | 578,997 | 86.8 | 11,511 | 2.04 | 22.89 |
| WASHINGTON, D.C. | | | | | | |
| 1201 Connecticut Avenue, NW | 1940 | 169,549 | 100.0 | 5,156 | 0.92 | 30.41 |
| 1400 L Street, NW | 1987 | 159,000 | 90.6 | 4,744 | 0.84 | 32.93 |
| Total District of Columbia Office | | 328,549 | 95.5 | 9,900 | 1.76 | 31.57 |
| PRINCE GEORGE'S COUNTY, MARYLAND | | | | | | |
| Greenbelt | | | | | | |
| 9200 Edmonston Road (e) | 1973 | 38,690 | 100.0 | 543 | 0.10 | 23.83 |
| 6301 Ivy Lane (e) | 1979 | 112,003 | 83.7 | 1,092 | 0.19 | 19.78 |
| 6303 Ivy Lane (e) | 1980 | 112,047 | 87.4 | 1,458 | 0.26 | 25.28 |
| 6305 Ivy Lane (e) | 1982 | 112,022 | 75.1 | 1,027 | 0.18 | 20.72 |
| 6404 Ivy Lane (e) | 1987 | 165,234 | 80.6 | 1,573 | 0.28 | 20.05 |
| 6406 Ivy Lane (e) | 1991 | 163,857 | 100.0 | 1,596 | 0.28 | 16.54 |
| 6411 Ivy Lane (e) | 1984 | 138,405 | 90.8 | 1,643 | 0.29 | 22.19 |
| Lanham | | | | | | |
| 4200 Parliament Place | 1989 | 122,000 | 91.2 | 2,849 | 0.50 | 25.61 |
| Total Maryland Office | | 964,258 | 88.0 | 11,781 | 2.08 | 21.23 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|---|------------|------------------------|---|----------------------------------|--|---|
| ARAPAHOE COUNTY, COLORADO | | | | | | |
| Denver | | | | | | |
| 400 South Colorado Boulevard (f) | 1983 | 125,415 | 89.4 | 1,880 | 0.33 | 16.77 |
| Englewood | | | | | | |
| 9359 East Nichols Avenue (f) | 1997 | 72,610 | 100.0 | 837 | 0.15 | 11.53 |
| 5350 South Roslyn Street (f) | 1982 | 63,754 | 98.3 | 1,063 | 0.19 | 16.96 |
| BOULDER COUNTY, COLORADO | | | | | | |
| Broomfield | | | | | | |
| 105 South Technology Drive (f) | 1997 | 37,574 | 81.1 | 170 | 0.03 | 5.58 |
| 303 South Technology Drive-A (f) | 1997 | 34,454 | 100.0 | 265 | 0.05 | 7.69 |
| 303 South Technology Drive-B (f) | 1997 | 40,416 | 100.0 | 311 | 0.05 | 7.69 |
| Louisville | | | | | | |
| 248 Centennial Parkway (f) | 1996 | 39,266 | 100.0 | 343 | 0.06 | 8.74 |
| 1172 Century Drive (f) | 1996 | 49,566 | 100.0 | 433 | 0.08 | 8.74 |
| 285 Century Place (f) | 1997 | 69,145 | 100.0 | 761 | 0.13 | 11.01 |
| DENVER COUNTY, COLORADO | | | | | | |
| Denver | | | | | | |
| 8181 East Tufts Avenue (f) | 2001 | 185,254 | 98.6 | 4,262 | 0.75 | 23.33 |
| DOUGLAS COUNTY, COLORADO | | | | | | |
| Centennial | | | | | | |
| 5975 South Quebec Street (c) (f) | 1996 | 102,877 | 93.3 | 1,273 | 0.23 | 13.26 |
| Englewood | | | | | | |
| 67 Inverness Drive East (f) | 1996 | 54,280 | 100.0 | 345 | 0.06 | 6.36 |
| 384 Inverness Parkway (f) | 1985 | 51,523 | 97.5 | 714 | 0.13 | 14.21 |
| 400 Inverness Parkway (f) | 1997 | 111,608 | 98.3 | 1,703 | 0.30 | 15.52 |
| 9777 Pyramid Court (f) | 1995 | 120,281 | 97.1 | 1,553 | 0.27 | 13.30 |
| EL PASO COUNTY, COLORADO | | | | | | |
| Colorado Springs | | | | | | |
| 8415 Explorer (f) | 1998 | 47,368 | 100.0 | 531 | 0.09 | 11.21 |
| 1975 Research Parkway (f) | 1997 | 115,250 | 80.3 | 1,087 | 0.19 | 11.75 |
| 2375 Telstar Drive (f) | 1998 | 47,369 | 100.0 | 532 | 0.09 | 11.23 |
| JEFFERSON COUNTY, COLORADO | | | | | | |
| Lakewood | | | | | | |
| 141 Union Boulevard (f) | 1985 | 63,600 | 100.0 | 1,149 | 0.20 | 18.07 |
| Total Colorado Office | | 1,431,610 | 95.8 | 19,212 | 3.38 | 14.01 |
| SAN FRANCISCO COUNTY, CALIFORNIA | | | | | | |
| San Francisco | | | | | | |
| 795 Folsom Street (f) | 1977 | 183,445 | 96.0 | 3,805 | 0.67 | 21.61 |
| 760 Market Street (f) | 1908 | 267,446 | 78.2 | 7,224 | 1.29 | 34.54 |
| Total California Office | | 450,891 | 85.4 | 11,029 | 1.96 | 28.63 |
| TOTAL OFFICE PROPERTIES | | 25,532,705 | 90.7 | 505,518 | 89.41 | 22.45 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| BURLINGTON COUNTY, NEW JERSEY | | | | | | |
| Burlington | | | | | | |
| 3 Terri Lane | 1991 | 64,500 | 100.0 | 437 | 0.08 | 6.78 |
| 5 Terri Lane | 1992 | 74,555 | 91.7 | 608 | 0.11 | 8.89 |
| Moorestown | | | | | | |
| 2 Commerce Drive | 1986 | 49,000 | 76.3 | 310 | 0.05 | 8.29 |
| 101 Commerce Drive | 1988 | 64,700 | 100.0 | 275 | 0.05 | 4.25 |
| 102 Commerce Drive | 1987 | 38,400 | 87.5 | 218 | 0.04 | 6.49 |
| 201 Commerce Drive | 1986 | 38,400 | 75.0 | 163 | 0.03 | 5.66 |
| 202 Commerce Drive | 1988 | 51,200 | 100.0 | 303 | 0.05 | 5.92 |
| 1 Executive Drive | 1989 | 20,570 | 81.1 | 156 | 0.03 | 9.35 |
| 2 Executive Drive | 1988 | 60,800 | 82.5 | 357 | 0.06 | 7.12 |
| 101 Executive Drive | 1990 | 29,355 | 99.7 | 268 | 0.05 | 9.16 |
| 102 Executive Drive | 1990 | 64,000 | 100.0 | 305 | 0.05 | 4.77 |
| 225 Executive Drive | 1990 | 50,600 | 48.6 | 170 | 0.03 | 6.91 |
| 97 Foster Road | 1982 | 43,200 | 75.5 | 160 | 0.03 | 4.91 |
| 1507 Lancer Drive | 1995 | 32,700 | 100.0 | 84 | 0.01 | 2.57 |
| 1245 North Church Street | 1998 | 52,810 | 100.0 | 398 | 0.07 | 7.54 |
| 1247 North Church Street | 1998 | 52,790 | 77.5 | 422 | 0.07 | 10.31 |
| 1256 North Church Street | 1984 | 63,495 | 100.0 | 432 | 0.08 | 6.80 |
| 840 North Lenola Road | 1995 | 38,300 | 100.0 | 368 | 0.07 | 9.61 |
| 844 North Lenola Road | 1995 | 28,670 | 100.0 | 171 | 0.03 | 5.96 |
| 915 North Lenola Road | 1998 | 52,488 | 100.0 | 296 | 0.05 | 5.64 |
| 2 Twosome Drive | 2000 | 48,600 | 100.0 | 404 | 0.07 | 8.31 |
| 30 Twosome Drive | 1997 | 39,675 | 58.2 | 142 | 0.03 | 6.15 |
| 31 Twosome Drive | 1998 | 84,200 | 100.0 | 471 | 0.08 | 5.59 |
| 40 Twosome Drive | 1996 | 40,265 | 100.0 | 269 | 0.05 | 6.68 |
| 41 Twosome Drive | 1998 | 43,050 | 77.7 | 231 | 0.04 | 6.91 |
| 50 Twosome Drive | 1997 | 34,075 | 100.0 | 241 | 0.04 | 7.07 |
| GLOUCESTER COUNTY, NEW JERSEY | | | | | | |
| West Deptford | | | | | | |
| 1451 Metropolitan Drive | 1996 | 21,600 | 100.0 | 148 | 0.03 | 6.85 |
| MERCER COUNTY, NEW JERSEY | | | | | | |
| Hamilton Township | | | | | | |
| 100 Horizon Center Boulevard | 1989 | 13,275 | 100.0 | 193 | 0.03 | 14.54 |
| 200 Horizon Drive | 1991 | 45,770 | 100.0 | 591 | 0.10 | 12.91 |
| 300 Horizon Drive | 1989 | 69,780 | 100.0 | 1,096 | 0.19 | 15.71 |
| 500 Horizon Drive | 1990 | 41,205 | 100.0 | 612 | 0.11 | 14.85 |
| MONMOUTH COUNTY, NEW JERSEY | | | | | | |
| Wall Township | | | | | | |
| 1325 Campus Parkway | 1988 | 35,000 | 100.0 | 655 | 0.12 | 18.71 |
| 1340 Campus Parkway | 1992 | 72,502 | 100.0 | 851 | 0.15 | 11.74 |
| 1345 Campus Parkway | 1995 | 76,300 | 100.0 | 937 | 0.17 | 12.28 |
| 1433 Highway 34 | 1985 | 69,020 | 59.9 | 431 | 0.08 | 10.42 |
| 1320 Wyckoff Avenue | 1986 | 20,336 | 100.0 | 178 | 0.03 | 8.75 |
| 1324 Wyckoff Avenue | 1987 | 21,168 | 100.0 | 219 | 0.04 | 10.35 |

| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|-------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| PASSAIC COUNTY, NEW JERSEY | | | | | | |
| Totowa | | | | | | |
| 1 Center Court | 1999 | 38,961 | 100.0 | 534 | 0.09 | 13.71 |
| 2 Center Court | 1998 | 30,600 | 69.4 | 232 | 0.04 | 10.92 |
| 11 Commerce Way | 1989 | 47,025 | 100.0 | 547 | 0.10 | 11.63 |
| 20 Commerce Way | 1992 | 42,540 | 38.5 | 174 | 0.03 | 10.62 |
| 29 Commerce Way | 1990 | 48,930 | 100.0 | 711 | 0.13 | 14.53 |
| 40 Commerce Way | 1987 | 50,576 | 100.0 | 690 | 0.12 | 13.64 |
| 45 Commerce Way | 1992 | 51,207 | 64.5 | 363 | 0.06 | 10.99 |
| 60 Commerce Way | 1988 | 50,333 | 85.8 | 616 | 0.11 | 14.26 |
| 80 Commerce Way | 1996 | 22,500 | 88.7 | 304 | 0.05 | 15.23 |
| 100 Commerce Way | 1996 | 24,600 | 100.0 | 332 | 0.06 | 13.50 |
| 120 Commerce Way | 1994 | 9,024 | 100.0 | 125 | 0.02 | 13.85 |
| 140 Commerce Way | 1994 | 26,881 | 99.5 | 372 | 0.07 | 13.91 |
| Total New Jersey Office/Flex | | 2,189,531 | 90.3 | 18,570 | 3.28 | 9.39 |
| WESTCHESTER COUNTY, NEW YORK | | | | | | |
| Elmsford | | | | | | |
| 11 Clearbrook Road | 1974 | 31,800 | 100.0 | 422 | 0.07 | 13.27 |
| 75 Clearbrook Road | 1990 | 32,720 | 100.0 | 702 | 0.12 | 21.45 |
| 125 Clearbrook Road | 2002 | 33,000 | 100.0 | 712 | 0.13 | 21.58 |
| 150 Clearbrook Road | 1975 | 74,900 | 100.0 | 930 | 0.16 | 12.42 |
| 175 Clearbrook Road | 1973 | 98,900 | 100.0 | 1,547 | 0.27 | 15.64 |
| 200 Clearbrook Road | 1974 | 94,000 | 99.8 | 1,198 | 0.21 | 12.77 |
| 250 Clearbrook Road | 1973 | 155,000 | 97.3 | 1,424 | 0.25 | 9.44 |
| 50 Executive Boulevard | 1969 | 45,200 | 98.2 | 461 | 0.08 | 10.39 |
| 77 Executive Boulevard | 1977 | 13,000 | 100.0 | 226 | 0.04 | 17.38 |
| 85 Executive Boulevard | 1968 | 31,000 | 93.8 | 289 | 0.05 | 9.94 |
| 300 Executive Boulevard | 1970 | 60,000 | 100.0 | 581 | 0.10 | 9.68 |
| 350 Executive Boulevard | 1970 | 15,400 | 98.8 | 296 | 0.05 | 19.45 |
| 399 Executive Boulevard | 1962 | 80,000 | 100.0 | 986 | 0.17 | 12.33 |
| 400 Executive Boulevard | 1970 | 42,200 | 100.0 | 782 | 0.14 | 18.53 |
| 500 Executive Boulevard | 1970 | 41,600 | 100.0 | 640 | 0.11 | 15.38 |
| 525 Executive Boulevard | 1972 | 61,700 | 83.6 | 807 | 0.14 | 15.65 |
| 1 Westchester Plaza | 1967 | 25,000 | 100.0 | 331 | 0.06 | 13.24 |
| 2 Westchester Plaza | 1968 | 25,000 | 100.0 | 504 | 0.09 | 20.16 |
| 3 Westchester Plaza | 1969 | 93,500 | 100.0 | 556 | 0.10 | 5.95 |
| 4 Westchester Plaza | 1969 | 44,700 | 99.8 | 643 | 0.11 | 14.41 |
| 5 Westchester Plaza | 1969 | 20,000 | 88.9 | 296 | 0.05 | 16.65 |
| 6 Westchester Plaza | 1968 | 20,000 | 100.0 | 330 | 0.06 | 16.50 |
| 7 Westchester Plaza | 1972 | 46,200 | 100.0 | 782 | 0.14 | 16.93 |

| | | | | | | |
|-------------------------|------|---------|-------|-------|------|-------|
| 8 Westchester Plaza | 1971 | 67,200 | 100.0 | 938 | 0.17 | 13.96 |
| Hawthorne | | | | | | |
| 200 Saw Mill River Road | 1965 | 51,100 | 100.0 | 626 | 0.11 | 12.25 |
| 4 Skyline Drive | 1987 | 80,600 | 92.2 | 1,262 | 0.22 | 16.98 |
| 5 Skyline Drive | 1980 | 124,022 | 100.0 | 1,630 | 0.30 | 13.14 |
| 6 Skyline Drive | 1980 | 44,155 | 100.0 | 310 | 0.05 | 7.02 |
| 8 Skyline Drive | 1985 | 50,000 | 98.7 | 798 | 0.14 | 16.17 |
| 10 Skyline Drive | 1985 | 20,000 | 100.0 | 179 | 0.03 | 8.95 |

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| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| 11 Skyline Drive | 1989 | 45,000 | 100.0 | 803 | 0.14 | 17.84 |
| 12 Skyline Drive | 1999 | 46,850 | 85.1 | 663 | 0.12 | 16.63 |
| 15 Skyline Drive | 1989 | 55,000 | 73.3 | 632 | 0.11 | 15.68 |
| Yonkers | | | | | | |
| 100 Corporate Boulevard | 1987 | 78,000 | 98.2 | 1,481 | 0.26 | 19.34 |
| 200 Corporate Boulevard South | 1990 | 84,000 | 99.8 | 1,368 | 0.24 | 16.32 |
| 4 Executive Plaza | 1986 | 80,000 | 100.0 | 833 | 0.15 | 10.41 |
| 6 Executive Plaza | 1987 | 80,000 | 100.0 | 1,323 | 0.23 | 16.54 |
| 1 Odell Plaza | 1980 | 106,000 | 98.7 | 1,486 | 0.26 | 14.20 |
| 3 Odell Plaza | 1984 | 71,065 | 100.0 | 1,597 | 0.28 | 22.47 |
| 5 Odell Plaza | 1983 | 38,400 | 99.6 | 628 | 0.11 | 16.42 |
| 7 Odell Plaza | 1984 | 42,600 | 99.6 | 721 | 0.13 | 16.99 |
| Total New York Office/Flex | | 2,348,812 | 97.8 | 32,723 | 5.75 | 14.24 |
| FAIRFIELD COUNTY, CONNECTICUT | | | | | | |
| Stamford | | | | | | |
| 419 West Avenue | 1986 | 88,000 | 100.0 | 1,215 | 0.21 | 13.81 |
| 500 West Avenue | 1988 | 25,000 | 82.3 | 412 | 0.07 | 20.02 |
| 550 West Avenue | 1990 | 54,000 | 100.0 | 884 | 0.16 | 16.37 |
| 600 West Avenue | 1999 | 66,000 | 100.0 | 804 | 0.14 | 12.18 |
| 650 West Avenue | 1998 | 40,000 | 100.0 | 555 | 0.10 | 13.88 |
| Total Connecticut Office/Flex | | 273,000 | 98.4 | 3,870 | 0.68 | 14.41 |
| TOTAL OFFICE/FLEX PROPERTIES | | 4,811,343 | 94.4 | 55,163 | 9.71 | 12.14 |

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Property Listing
Industrial/Warehouse, Retail and Land Properties

| Property Location | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 9/30/06 (%) (a) | 2006 Base Rent (\$000's) (b) (c) | Percentage of Total 2006 Base Rent (%) | 2006 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--|------------|------------------------|---|----------------------------------|--|---|
| WESTCHESTER COUNTY, NEW YORK | | | | | | |
| Elmsford | | | | | | |
| 1 Warehouse Lane | 1957 | 6,600 | 100.0 | 84 | 0.01 | 12.73 |
| 2 Warehouse Lane | 1957 | 10,900 | 100.0 | 159 | 0.03 | 14.59 |
| 3 Warehouse Lane | 1957 | 77,200 | 100.0 | 324 | 0.06 | 4.20 |
| 4 Warehouse Lane | 1957 | 195,500 | 97.4 | 2,161 | 0.38 | 11.35 |
| 5 Warehouse Lane | 1957 | 75,100 | 97.1 | 956 | 0.17 | 13.11 |
| 6 Warehouse Lane | 1982 | 22,100 | 100.0 | 512 | 0.09 | 23.17 |
| Total Industrial/Warehouse Properties | | 387,400 | 98.1 | 4,196 | 0.74 | 11.04 |
| WESTCHESTER COUNTY, NEW YORK | | | | | | |
| Tarrytown | | | | | | |
| 230 White Plains Road | 1984 | 9,300 | 100.0 | 195 | 0.03 | 20.97 |
| Yonkers | | | | | | |
| 2 Executive Boulevard | 1986 | 8,000 | 100.0 | 322 | 0.06 | 40.25 |
| Total Retail Properties | | 17,300 | 100.0 | 517 | 0.09 | 29.88 |
| WESTCHESTER COUNTY, NEW YORK | | | | | | |
| Elmsford | | | | | | |
| 700 Executive Boulevard | — | — | — | 114 | 0.02 | — |
| Yonkers | | | | | | |
| 1 Enterprise Boulevard | — | — | — | 193 | 0.03 | — |

| | | | | | |
|--------------------------|-------------------|-------------|-------------------|---------------|--------------|
| Total Land Leases | — | — | 307 | 0.05 | — |
| TOTAL PROPERTIES | 30,748,748 | 91.4 | 565,701(g) | 100.00 | 20.64 |

- (a) Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including a lease with commencement date substantially in the future consisting of 15,125 square feet scheduled to commence in 2009), and leases expiring September 30, 2006 aggregating 62,981 square feet (representing 0.2 percent of the Company's total net rentable square footage) for which no new leases were signed.
- (b) Total base rent for the 12 months ended September 30, 2006, determined in accordance with generally accepted accounting principles ("GAAP"). Substantially all of the leases provide for annual base rents plus recoveries and escalation charges based upon the tenant's proportionate share of and/or increases in real estate taxes and certain operating costs, as defined, and the pass through of charges for electrical usage.
- (c) Excludes space leased by the Company.
- (d) Base rent for the 12 months ended September 30, 2006, divided by net rentable square feet leased at September 30, 2006. For those properties acquired during the 12 months ended September 30, 2006, amounts are annualized, as per Note e.
- (e) As this property was acquired by the Company during the 12 months ended September 30, 2006, the amounts represented in 2006 base rent reflect only that portion of the year during which the Company owned the property. Accordingly, these amounts may not be indicative of the property's full year results. For comparison purposes, the amounts represented in 2006 average base rent per sq. ft. for this property have been calculated by taking 2006 base rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at September 30, 2006. These annualized per square foot amounts may not be indicative of the property's results had the Company owned such property for the entirety of the 12 months ended September 30, 2006.
- (f) This property was identified as held for sale by the Company as of September 30, 2006 and is classified as discontinued operations in the financial statements.
- (g) Includes \$30,241 pertaining to properties identified as held for sale, which are classified as discontinued operations in the financial statements.

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Significant Tenants

The following table sets forth a schedule of the Company's 50 largest tenants for the Consolidated Properties as of September 30, 2006, based upon annualized base rents:

| | Number of Properties | Annualized Base Rental Revenue (\$) (a) | Percentage of Company Annualized Base Rental Revenue (%) | Square Feet Leased | Percentage Total Company Leased Sq. Ft. (%) | Year of Lease Expiration |
|--|----------------------|---|--|--------------------|---|--------------------------|
| New Cingular Wireless PCS LLLC | 4 | 11,419,103 | 1.9 | 460,973 | 1.7 | 2014(b) |
| Morgan Stanley D.W. Inc. | 5 | 9,395,415 | 1.6 | 381,576 | 1.4 | 2013(c) |
| Credit Suisse First Boston | 1 | 9,196,912 | 1.5 | 271,953 | 1.0 | 2012(d) |
| United States Of America-GSA | 12 | 8,621,861 | 1.4 | 285,684 | 1.0 | 2015(e) |
| Merrill Lynch Pierce Fenner | 2 | 8,509,123 | 1.4 | 497,049 | 1.8 | 2012(f) |
| Keystone Mercy Health Plan | 2 | 7,790,929 | 1.3 | 303,149 | 1.1 | 2015 |
| National Union Fire Insurance | 1 | 7,711,023 | 1.3 | 317,799 | 1.1 | 2012 |
| Prentice-Hall Inc. | 1 | 7,694,097 | 1.3 | 474,801 | 1.7 | 2014 |
| DB Services New Jersey, Inc. | 1 | 7,551,990 | 1.3 | 281,920 | 1.0 | 2017 |
| Forest Laboratories Inc. | 2 | 6,961,107 | 1.2 | 202,857 | 0.7 | 2017(g) |
| Cendant Operations Inc. | 2 | 6,839,418 | 1.1 | 296,934 | 1.1 | 2011(h) |
| Allstate Insurance Company | 10 | 6,092,753 | 1.0 | 254,093 | 0.9 | 2011(i) |
| Toys 'R' Us — NJ Inc. | 1 | 6,072,651 | 1.0 | 242,518 | 0.9 | 2012 |
| ICAP Securities USA LLC | 1 | 5,912,012 | 1.0 | 159,834 | 0.6 | 2017 |
| American Institute of Certified Public Accountants | 1 | 5,817,181 | 1.0 | 249,768 | 0.9 | 2012 |
| TD Ameritrade Online Holdings | 1 | 5,637,193 | 0.9 | 184,222 | 0.7 | 2015 |
| IBM Corporation | 3 | 5,529,841 | 0.9 | 310,263 | 1.1 | 2012(j) |
| KPMG, LLP | 3 | 4,784,243 | 0.8 | 181,025 | 0.7 | 2012(k) |
| AT&T Corp. | 2 | 4,561,254 | 0.8 | 307,181 | 1.1 | 2014(l) |
| National Financial Services | 1 | 4,346,765 | 0.7 | 112,964 | 0.4 | 2012 |
| Bank Of Tokyo-Mitsubishi Ltd. | 1 | 4,228,795 | 0.7 | 137,076 | 0.5 | 2009 |
| Vonage America Inc. | 1 | 3,888,500 | 0.7 | 350,000 | 1.3 | 2017 |
| Samsung Electronics America | 1 | 3,678,028 | 0.6 | 131,300 | 0.5 | 2010 |
| Citigroup Global Markets Inc. | 5 | 3,492,988 | 0.6 | 132,475 | 0.5 | 2016(m) |
| Lehman Brothers Holdings Inc. | 1 | 3,420,667 | 0.6 | 207,300 | 0.8 | 2010 |
| URS Greiner Woodward-Clyde | 1 | 3,372,277 | 0.6 | 120,550 | 0.4 | 2011 |
| Montefiore Medical Center | 5 | 3,338,874 | 0.6 | 160,240 | 0.6 | 2019(n) |
| Hewlett-Packard Company | 1 | 3,324,987 | 0.6 | 163,857 | 0.6 | 2007 |
| SSB Realty LLC | 1 | 3,321,051 | 0.6 | 114,519 | 0.4 | 2009 |
| Dow Jones & Company Inc. | 1 | 3,057,773 | 0.5 | 92,312 | 0.3 | 2012 |
| Daiichi Sankyo Inc. | 2 | 2,843,876 | 0.5 | 90,366 | 0.3 | 2012(o) |
| Regus Business Centre Corp. | 3 | 2,809,013 | 0.5 | 107,608 | 0.4 | 2011 |
| American Home Assurance Co. | 2 | 2,686,732 | 0.5 | 131,174 | 0.5 | 2019(p) |
| Sunamerica Asset Management | 1 | 2,680,409 | 0.4 | 69,621 | 0.3 | 2018 |
| Moody's Investors Service | 1 | 2,671,149 | 0.4 | 91,344 | 0.3 | 2011(q) |
| Sumitomo Mitsui Banking Corp. | 2 | 2,580,155 | 0.4 | 71,153 | 0.3 | 2016 |
| United States Life Ins. Co. | 1 | 2,520,000 | 0.4 | 180,000 | 0.7 | 2013 |
| New Jersey Turnpike Authority | 1 | 2,455,463 | 0.4 | 100,223 | 0.4 | 2016 |
| Barr Laboratories Inc. | 2 | 2,450,087 | 0.4 | 109,510 | 0.4 | 2015(r) |
| Computer Sciences Corporation | 3 | 2,306,800 | 0.4 | 109,825 | 0.4 | 2011(s) |
| Movado Group Inc. | 1 | 2,283,547 | 0.4 | 90,050 | 0.3 | 2013 |
| Lonza Inc. | 1 | 2,236,200 | 0.4 | 89,448 | 0.3 | 2007 |
| Deloitte & Touche USA LLP | 1 | 2,171,275 | 0.4 | 86,851 | 0.3 | 2007 |
| High Point Safety & Insurance | 1 | 2,095,629 | 0.4 | 88,237 | 0.3 | 2015 |
| Nextel Of New York Inc. | 2 | 2,093,440 | 0.4 | 97,436 | 0.4 | 2014(t) |
| Bearingpoint Inc. | 1 | 2,065,834 | 0.3 | 77,956 | 0.3 | 2011 |
| GAB Robins North America Inc. | 2 | 2,028,512 | 0.3 | 84,649 | 0.3 | 2009(u) |
| UBS Financial Services Inc. | 3 | 1,949,797 | 0.3 | 73,250 | 0.3 | 2016(v) |
| PR Newswire Association Inc. | 1 | 1,912,908 | 0.3 | 56,262 | 0.2 | 2010 |
| Norris McLaughlin & Marcus PA | 1 | 1,908,459 | 0.3 | 81,211 | 0.3 | 2015 |
| | | <u>222,318,096</u> | <u>37.3</u> | <u>9,272,366</u> | <u>33.8</u> | |

See footnotes on subsequent page.

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- (a) Annualized base rental revenue is based on actual September, 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.
- (b) 50,660 square feet expire 2007; 4,783 square feet expire in 2008; 333,145 square feet expire in 2013; 72,385 square feet expire in 2014.
- (c) 19,500 square feet expire in 2008; 7,000 square feet expire in 2009; 48,906 square feet expire in 2010; 306,170 square feet expire in 2013.
- (d) 190,000 feet expire in 2011; 81,953 square feet expire in 2012.
- (e) 51,049 square feet expire in 2007; 26,710 square feet expire in 2008; 9,901 square feet expire in 2011; 38,690 square feet expire in 2013; 4,879 square feet expire in 2014; 154,455 square feet expire in 2015.
- (f) 311,053 square feet expire in 2007; 7,485 square feet expire in 2008; 178,511 square feet expire in 2012.
- (g) 22,785 square feet expire in 2010; 180,072 square feet expire in 2017.
- (h) 150,951 square feet expire in 2008; 145,983 square feet expire in 2011.
- (i) 70,517 square feet expire in 2007; 31,143 square feet expire in 2008; 22,185 square feet expire in 2009; 46,555 square feet expire in 2010; 83,693 square feet expire in 2011.
- (j) 61,864 square feet expire in 2010; 248,399 square feet expire in 2012.
- (k) 57,204 square feet expire in 2007; 46,440 square feet expire in 2009; 77,381 square feet expire in 2012.
- (l) 32,181 square feet expire in 2009; 275,000 square feet expire in 2014.
- (m) 19,668 square feet expire in 2007; 59,711 square feet expire in 2009; 26,834 square feet expire in 2014; 26,262 square feet expire in 2016.
- (n) 48,542 square feet expire in 2009; 5,850 square feet expire in 2014; 15,783 square feet expire in 2016; 19,000 square feet expire in 2017; 71,065 square feet expire in 2019.
- (o) 5,315 square feet expire in 2011; 85,051 square feet expire in 2012.
- (p) 14,056 square feet expire in 2008; 117,118 square feet expire in 2019.
- (q) 43,344 square feet expire in 2009; 36,193 square feet expire in 2010; 11,807 square feet expire in 2011.
- (r) 20,000 square feet expire in 2008; 89,510 square feet expire in 2015.
- (s) 26,975 square feet expire in 2007; 82,850 square feet expire in 2011.
- (t) 62,436 square feet expire in 2010; 35,000 square feet expire in 2014.
- (u) 75,049 square feet expire in 2008; 9,600 square feet expire in 2009.
- (v) 21,554 square feet expire in 2010; 17,383 square feet expire in 2013; 34,313 square feet expire in 2016.

Schedule of Lease Expirations

All Consolidated Properties

The following table sets forth a schedule of lease expirations for the total of the Company's office, office/flex, industrial/warehouse and stand-alone retail properties included in the Consolidated Properties beginning October 1, 2006, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2006 through 2008 only):

| Year Of Expiration/ Market | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$) (b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|-------------------------------|-------------------------------------|--|--|---|--|--|
| 2006 (c) | | | | | | |
| NORTHEAST | | | | | | |
| Northern NJ | 17 | 117,359 | 0.5 | 2,992,231 | 25.50 | 0.5 |
| Central NJ | 10 | 49,922 | 0.2 | 1,039,354 | 20.82 | 0.2 |
| Westchester Co., NY | 12 | 31,352 | 0.1 | 818,444 | 26.10 | 0.1 |
| Sub. Philadelphia | 12 | 79,465 | 0.3 | 1,486,720 | 18.71 | 0.3 |
| Fairfield, CT | 2 | 6,088 | (d) | 205,008 | 33.67 | (d) |
| Washington, DC/MD | 3 | 9,713 | (d) | 245,550 | 25.28 | (d) |
| Rockland Co., NY | 2 | 3,705 | (d) | 100,805 | 27.21 | (d) |
| OTHER | | | | | | |
| Colorado | 6 | 18,888 | 0.1 | 293,619 | 15.55 | 0.1 |
| San Francisco | 14 | 35,379 | 0.1 | 1,518,736 | 42.93 | 0.3 |
| TOTAL – 2006 | 78 | 351,871 | 1.3 | 8,700,467 | 24.73 | 1.5 |

| 2007 | | | | | | |
|---------------------|------------|------------------|------------|-------------------|--------------|------------|
| NORTHEAST | | | | | | |
| Northern NJ | 76 | 956,095 | 3.5 | 21,312,241 | 22.29 | 3.7 |
| Central NJ | 34 | 233,100 | 0.8 | 5,533,986 | 23.74 | 0.9 |
| Westchester Co., NY | 104 | 437,643 | 1.6 | 8,140,834 | 18.60 | 1.4 |
| Sub. Philadelphia | 54 | 423,898 | 1.5 | 7,421,065 | 17.51 | 1.2 |
| Fairfield, CT | 13 | 72,043 | 0.3 | 1,897,356 | 26.34 | 0.3 |
| Washington, DC/MD | 18 | 253,085 | 0.9 | 5,573,198 | 22.02 | 0.9 |
| Rockland Co., NY | 6 | 18,779 | 0.1 | 507,125 | 27.00 | 0.1 |
| OTHER | | | | | | |
| Colorado | 27 | 146,080 | 0.5 | 1,936,901 | 13.26 | 0.3 |
| San Francisco | 87 | 36,943 | 0.1 | 1,063,862 | 28.80 | 0.2 |
| TOTAL – 2007 | 419 | 2,577,666 | 9.3 | 53,386,568 | 20.71 | 9.0 |

| 2008 | | | | | | |
|---------------------|------------|------------------|-------------|-------------------|--------------|------------|
| NORTHEAST | | | | | | |
| Northern NJ | 88 | 847,567 | 3.0 | 20,342,065 | 24.00 | 3.4 |
| Central NJ | 53 | 384,781 | 1.3 | 9,028,024 | 23.46 | 1.5 |
| Westchester Co., NY | 115 | 607,090 | 2.2 | 10,623,904 | 17.50 | 1.8 |
| Sub. Philadelphia | 55 | 552,767 | 2.0 | 7,653,988 | 13.85 | 1.3 |
| Fairfield, CT | 19 | 98,595 | 0.4 | 2,490,712 | 25.26 | 0.4 |
| Washington, DC/MD | 25 | 126,586 | 0.5 | 3,212,174 | 25.38 | 0.5 |
| Rockland Co., NY | 7 | 44,580 | 0.2 | 1,168,406 | 26.21 | 0.2 |
| OTHER | | | | | | |
| Colorado | 31 | 209,483 | 0.8 | 2,791,359 | 13.32 | 0.5 |
| San Francisco | 82 | 64,910 | 0.2 | 1,712,777 | 26.39 | 0.3 |
| TOTAL – 2008 | 475 | 2,936,359 | 10.6 | 59,023,409 | 20.10 | 9.9 |

Schedule continued, with footnotes, on subsequent page.

| Year Of Expiration | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$ (b)) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|--------------------------------|--------------------------------------|---|--|--|---|---|
| 2009 | 416 | 2,689,304 | 9.7 | 58,587,932 | 21.79 | 9.8 |
| 2010 | 368 | 3,069,254 | 11.1 | 63,195,893 | 20.59 | 10.6 |
| 2011 | 365 | 3,734,676 | 13.5 | 83,689,032 | 22.41 | 14.0 |
| 2012 | 189 | 2,625,934 | 9.5 | 59,808,188 | 22.78 | 10.0 |
| 2013 | 141 | 2,556,054 | 9.3 | 55,015,720 | 21.52 | 9.2 |
| 2014 | 69 | 1,454,959 | 5.3 | 32,477,679 | 22.32 | 5.5 |
| 2015 | 61 | 2,383,153 | 8.6 | 50,169,435 | 21.05 | 8.4 |
| 2016 | 49 | 834,368 | 3.0 | 16,046,470 | 19.23 | 2.7 |
| 2017 and thereafter | 73 | 2,423,719 | 8.8 | 56,131,552 | 23.16 | 9.4 |
| Totals/Weighted Average | 2,703 | 27,637,317 | 100.0 | 596,232,345 | 21.57 | 100.0 |

(a) Includes office, office/flex, industrial/warehouse and stand-alone retail property tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

(c) Includes leases expiring September 30, 2006 aggregating 62,981 square feet and representing annualized rent of \$1,328,043 for which no new leases were signed.

(d) Represents less than 0.05 percent.

(e) Reconciliation to Company's total net rentable square footage is as follows:

| | |
|---|----------------------------------|
| Square footage leased to commercial tenants | <u>Square Feet</u> 27,637,317 |
| Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments | 464,640 |
| Square footage unleased | <u>2,646,791</u> |
| Total net rentable square footage (does not include land leases) | <u>30,748,748</u> |

Schedule of Lease Expirations

Office Properties

The following table sets forth a schedule of lease expirations for the office properties beginning October 1, 2006, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2006 through 2008 only):

| Year Of Expiration/ Market | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$) (b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|-------------------------------|-------------------------------|--|---|---|--|--|
| 2006 (c) | | | | | | |
| NORTHEAST | | | | | | |
| Northern NJ | 16 | 110,134 | 0.5 | 2,882,050 | 26.17 | 0.6 |
| Central NJ | 9 | 37,589 | 0.2 | 872,858 | 23.22 | 0.3 |
| Westchester Co., NY | 8 | 23,531 | 0.1 | 674,778 | 28.68 | 0.1 |
| Sub. Philadelphia | 9 | 53,165 | 0.2 | 1,239,691 | 23.32 | 0.2 |
| Fairfield, CT | 2 | 6,088 | (d) | 205,008 | 33.67 | (d) |
| Washington, DC/MD | 3 | 9,713 | (d) | 245,550 | 25.28 | (d) |
| Dutchess/Rockland Co., NY | 2 | 3,705 | (d) | 100,805 | 27.21 | (d) |
| OTHER | | | | | | |
| Colorado | 6 | 18,888 | 0.1 | 293,619 | 15.55 | 0.1 |
| San Francisco | 14 | 35,379 | 0.2 | 1,518,736 | 42.93 | 0.3 |
| TOTAL – 2006 | 69 | 298,192 | 1.3 | 8,033,095 | 26.94 | 1.6 |
| 2007 | | | | | | |
| NORTHEAST | | | | | | |
| Northern NJ | 70 | 902,812 | 4.0 | 20,553,832 | 22.77 | 3.9 |
| Central NJ | 33 | 227,200 | 1.0 | 5,448,436 | 23.98 | 1.0 |
| Westchester Co., NY | 57 | 143,086 | 0.6 | 4,027,911 | 28.15 | 0.8 |
| Sub. Philadelphia | 36 | 249,119 | 1.1 | 6,063,685 | 24.34 | 1.1 |
| Fairfield, CT | 12 | 65,043 | 0.3 | 1,769,606 | 27.21 | 0.3 |
| Washington, DC/MD | 18 | 253,085 | 1.1 | 5,573,198 | 22.02 | 1.0 |
| Dutchess/Rockland Co., NY | 6 | 18,779 | 0.1 | 507,125 | 27.00 | 0.1 |
| OTHER | | | | | | |
| Colorado | 27 | 146,080 | 0.6 | 1,936,901 | 13.26 | 0.4 |
| San Francisco | 87 | 36,943 | 0.2 | 1,063,862 | 28.80 | 0.2 |
| TOTAL – 2007 | 346 | 2,042,147 | 9.0 | 46,944,556 | 22.99 | 8.8 |
| 2008 | | | | | | |
| NORTHEAST | | | | | | |
| Northern NJ | 85 | 801,957 | 3.5 | 19,757,044 | 24.64 | 3.7 |
| Central NJ | 47 | 350,117 | 1.5 | 8,502,089 | 24.28 | 1.6 |
| Westchester Co., NY | 63 | 199,055 | 0.9 | 5,302,297 | 26.64 | 1.0 |
| Sub. Philadelphia | 32 | 284,824 | 1.3 | 5,895,466 | 20.70 | 1.1 |
| Fairfield, CT | 19 | 98,595 | 0.4 | 2,490,712 | 25.26 | 0.5 |
| Washington, DC/MD | 25 | 126,586 | 0.6 | 3,212,174 | 25.38 | 0.6 |
| Dutchess/Rockland Co., NY | 7 | 44,580 | 0.2 | 1,168,406 | 26.21 | 0.2 |
| OTHER | | | | | | |
| Colorado | 31 | 209,483 | 0.9 | 2,791,359 | 13.32 | 0.5 |
| San Francisco | 82 | 64,910 | 0.3 | 1,712,777 | 26.39 | 0.3 |
| TOTAL – 2008 | 391 | 2,180,107 | 9.6 | 50,832,324 | 23.32 | 9.5 |

Schedule continued, with footnotes, on subsequent page.

| Year Of Expiration | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$) (b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|--------------------------------|-------------------------------|--|---|---|--|--|
| 2009 | 344 | 2,110,165 | 9.3 | 50,921,432 | 24.13 | 9.7 |
| 2010 | 290 | 2,238,100 | 9.9 | 51,789,094 | 23.14 | 9.7 |
| 2011 | 306 | 3,209,977 | 14.1 | 77,618,514 | 24.18 | 14.6 |
| 2012 | 144 | 2,210,125 | 9.7 | 53,899,004 | 24.39 | 10.1 |
| 2013 | 105 | 2,139,078 | 9.4 | 49,213,457 | 23.01 | 9.2 |
| 2014 | 58 | 1,313,087 | 5.8 | 30,480,963 | 23.21 | 5.7 |
| 2015 | 48 | 2,221,002 | 9.8 | 48,153,432 | 21.68 | 9.0 |
| 2016 | 35 | 518,369 | 2.3 | 11,793,802 | 22.75 | 2.2 |
| 2017 and thereafter | 61 | 2,220,481 | 9.8 | 53,204,278 | 23.96 | 9.9 |
| Totals/Weighted Average | 2,197 | 22,700,830 | 100.0 | 532,883,951 | 23.47 | 100.0 |

(a) Includes office tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ

from those set forth above.

(c) Includes leases expiring September 30, 2006 aggregating 48,642 square feet and representing annualized rent of \$1,120,424 for which no new leases were signed.

(d) Represents less than .05 percent.

Schedule of Lease Expirations

Office/Flex Properties

The following table sets forth a schedule of lease expirations for the office/flex properties beginning October 1, 2006, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2006 through 2008 only):

| Year Of Expiration/ Market | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$) (b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|------------------------------------|-------------------------------------|--|--|---|--|--|
| 2006 (c) | | | | | | |
| Northern NJ | 1 | 7,225 | 0.1 | 110,181 | 15.25 | 0.2 |
| Central NJ | 1 | 12,333 | 0.2 | 166,496 | 13.50 | 0.4 |
| Westchester Co., NY | 4 | 7,821 | 0.2 | 143,666 | 18.37 | 0.2 |
| Sub. Philadelphia | 3 | 26,300 | 0.6 | 247,029 | 9.39 | 0.4 |
| Fairfield, CT | — | — | — | — | — | — |
| TOTAL – 2006 | 9 | 53,679 | 1.1 | 667,372 | 12.43 | 1.2 |
| 2007 | | | | | | |
| Northern NJ | 6 | 53,283 | 1.0 | 758,409 | 14.23 | 1.4 |
| Central NJ | 1 | 5,900 | 0.1 | 85,550 | 14.50 | 0.1 |
| Westchester Co., NY | 43 | 280,557 | 6.2 | 3,881,966 | 13.84 | 6.6 |
| Sub. Philadelphia | 18 | 174,779 | 3.9 | 1,357,380 | 7.77 | 2.3 |
| Fairfield, CT | 1 | 7,000 | 0.2 | 127,750 | 18.25 | 0.2 |
| TOTAL – 2007 | 69 | 521,519 | 11.4 | 6,211,055 | 11.91 | 10.6 |
| 2008 | | | | | | |
| Northern NJ | 3 | 45,610 | 1.0 | 585,021 | 12.83 | 1.0 |
| Central NJ | 6 | 34,664 | 0.8 | 525,935 | 15.17 | 0.9 |
| Westchester Co., NY | 49 | 316,666 | 7.0 | 4,845,216 | 15.30 | 8.2 |
| Sub. Philadelphia | 23 | 267,943 | 5.9 | 1,758,522 | 6.56 | 3.0 |
| Fairfield, CT | — | — | — | — | — | — |
| | 81 | 664,883 | 14.7 | 7,714,694 | 11.60 | 13.1 |
| 2009 | 66 | 520,856 | 11.5 | 6,682,112 | 12.83 | 11.3 |
| 2010 | 77 | 803,154 | 17.7 | 11,098,799 | 13.82 | 18.8 |
| 2011 | 58 | 517,099 | 11.4 | 5,975,518 | 11.56 | 10.1 |
| 2012 | 45 | 415,809 | 9.2 | 5,909,184 | 14.21 | 10.0 |
| 2013 | 29 | 361,740 | 8.0 | 5,103,788 | 14.11 | 8.7 |
| 2014 | 11 | 141,872 | 3.1 | 1,996,716 | 14.07 | 3.4 |
| 2015 | 13 | 162,151 | 3.6 | 2,016,003 | 12.43 | 3.4 |
| 2016 | 12 | 180,917 | 4.0 | 2,834,307 | 15.67 | 4.8 |
| 2017 and thereafter | 11 | 195,238 | 4.3 | 2,702,274 | 13.84 | 4.6 |
| Totals/Weighted Average | 481 | 4,538,917 | 100.0 | 58,911,822 | 12.98 | 100.0 |

(a) Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above. Includes office/flex tenants only. Excludes leases for amenity, retail, parking and month-to-month tenants. Some tenants have multiple leases.

(c) Includes leases expiring September 30, 2006 aggregating 14,339 square feet and representing annualized rent of \$207,619 for which no new leases were signed.

Schedule of Lease Expirations

Industrial/Warehouse Properties

The following table sets forth a schedule of lease expirations for the industrial/warehouse properties beginning October 1, 2006, assuming that none of the tenants exercise renewal or termination options. All industrial/warehouse properties are located in the Westchester County, NY market:

| Year Of Expiration | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$)(b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|--------------------------------|-------------------------------|--|---|--|--|--|
| 2007 | 4 | 14,000 | 3.7 | 230,957 | 16.50 | 5.7 |
| 2008 | 3 | 91,369 | 24.0 | 476,391 | 5.21 | 11.8 |
| 2009 | 5 | 48,983 | 12.9 | 789,388 | 16.12 | 19.7 |
| 2010 | 1 | 28,000 | 7.4 | 308,000 | 11.00 | 7.7 |
| 2011 | 1 | 7,600 | 2.0 | 95,000 | 12.50 | 2.4 |
| 2013 | 7 | 55,236 | 14.5 | 698,475 | 12.65 | 17.4 |
| 2016 | 2 | 135,082 | 35.5 | 1,418,361 | 10.50 | 35.3 |
| Totals/Weighted Average | 23 | 380,270 | 100.0 | 4,016,572 | 10.56 | 100.0 |

(a) Includes industrial/warehouse tenants only. Excludes leases for amenity, retail, parking and month-to-month industrial/warehouse tenants. Some tenants have multiple leases.

(b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006, annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, the historical results may differ from those set forth above.

Stand-Alone Retail Properties

The following table sets forth a schedule of lease expirations for the stand-alone retail properties beginning October 1, 2006, assuming that none of the tenants exercise renewal or termination options. All stand-alone retail properties are located in the Westchester County, NY market:

| Year Of Expiration | Number Of Leases Expiring (a) | Net Rentable Area Subject To Expiring Leases (Sq. Ft.) | Percentage Of Total Leased Square Feet Represented By Expiring Leases (%) | Annualized Base Rental Revenue Under Expiring Leases (\$)(b) | Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$) | Percentage Of Annual Base Rent Under Expiring Leases (%) |
|--------------------------------|-------------------------------|--|---|--|--|--|
| 2009 | 1 | 9,300 | 53.8 | 195,000 | 20.97 | 46.4 |
| 2017 and thereafter | 1 | 8,000 | 46.2 | 225,000 | 28.13 | 53.6 |
| Totals/Weighted Average | 2 | 17,300 | 100.0 | 420,000 | 24.28 | 100.0 |

(a) Includes stand-alone retail property tenants only.

(b) Annualized base rental revenue is based on actual September 2006 billings times 12. For leases whose rent commences after October 1, 2006 annualized base rental revenue is based on the first full month's billing times 12. As annualized base rental revenue is not derived from historical GAAP results, historical results may differ from those set forth above.

MACK - CALI REALTY CORPORATION

NEWS RELEASE

For Immediate Release

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**MACK-CALI REALTY CORPORATION
ANNOUNCES THIRD QUARTER RESULTS**

CRANFORD, NEW JERSEY – November 2, 2006 – Mack-Cali Realty Corporation (NYSE: CLI) today reported its results for the third quarter 2006.

Highlights of the quarter included:

- Reported net income per diluted share of \$0.26;
- Reported funds from operations per diluted share of \$0.86;
- Increased quarterly common stock dividend to \$0.64 per share;
- Acquired 395 West Passaic Street, located in Rochelle Park, New Jersey for \$21 million;
- Signed contracts to sell entire portfolio in suburban Denver and Colorado Springs for \$195 million; and
- Entered into agreements to sell ownership interests in three properties in San Francisco for a total of \$167 million.

FINANCIAL HIGHLIGHTS

Net income available to common shareholders for the third quarter 2006 equaled \$16.0 million, or \$0.26 per share, versus \$20.6 million, or \$0.33 per share, for the same quarter last year. For the nine months ended September 30, 2006, net income available to common shareholders equaled \$75.2 million, or \$1.20 per share, versus \$79.1 million, or \$1.29 per share, for the same period last year.

Funds from operations (FFO) available to common shareholders for the quarter ended September 30, 2006 amounted to \$67.1 million, or \$0.86 per share, versus \$66.7 million, or \$0.88 per share, for the quarter ended September 30, 2005. For the nine months ended September 30, 2006, FFO available to common shareholders amounted to \$222.3 million, or \$2.86 per share, versus \$205.2 million, or \$2.71 per share, for the same period last year.

Total revenues for the third quarter 2006 increased 31.8 percent to \$203.2 million as compared to \$154.2 million for the same quarter last year. For the nine months ended September 30, 2006, total revenues amounted to \$542.1 million, an increase of 21.3 percent over total revenues of \$446.8 million, for the same period last year.

All per share amounts presented above are on a diluted basis.

The Company had 62,551,206 shares of common stock, 10,000 shares of 8 percent Series C cumulative redeemable perpetual preferred stock (\$25,000 liquidation value per share), and 15,595,825 common operating partnership units outstanding as of September 30, 2006.

The Company had a total of 78,147,031 common shares/common units outstanding at September 30, 2006.

As of September 30, 2006, the Company had total indebtedness of approximately \$2.4 billion, with a weighted average annual interest rate of 6.07 percent. The Company had a total market capitalization of \$6.5 billion and a debt-to-undepreciated assets ratio of 45.0 percent at September 30, 2006. The Company had an interest coverage ratio of 2.9 times for the quarter ended September 30, 2006.

Mitchell E. Hersh, president and chief executive officer, commented, "During the third quarter we strengthened occupancies, increased our dividend, and announced our exit of our remaining western markets. We're pleased with our results and the progress we've made on our strategic plan and look forward to further enhancing our presence in our core Northeast markets."

The following is a summary of the Company's recent transactions:

ACQUISITIONS

In July, the Company acquired 395 West Passaic Street, a four-story, 100,589 square-foot, class A office building, located in Rochelle Park, New Jersey for approximately \$21 million. 395 West Passaic Street is 90.2 percent leased.

PROPERTY SALES

In August, the Company signed contracts to sell its entire property and land portfolio in suburban Denver and Colorado Springs. The portfolio, which consists of 19 office buildings totaling 1.4 million square feet, plus 7.1 acres of vacant land and 1.6 acres of land dedicated to a parking facility, is being sold to Westcore Properties for approximately \$195.3 million.

In September, the Company entered into agreements to sell its ownership interests in three properties in San Francisco for a total of approximately \$167 million. Upon completion, the sales will mark the Company's exit of the San Francisco market, in accordance with its capital recycling program and portfolio strategy.

The San Francisco sales transactions are as follows:

- Mack-Cali has entered into a contract to sell 760 Market Street and 795 Folsom Street in San Francisco to Westcore Properties for an aggregate price of approximately

\$126 million. 760 Market Street is an 11-story, 267,446 square-foot class A office building that is 78.2 percent leased; and 795 Folsom Street is a six-story, 183,445 square-foot class A office building that is 96.0 percent leased.

Mack-Cali has entered into an agreement in principle to sell substantially all of its 50-percent ownership interest in Convention Plaza in San Francisco, based on a total building valuation of approximately \$82 million. Convention Plaza is a 12-story, 305,618 square-foot class A office building. The interest will be sold to an entity related to The ADCO Group. A different entity related to The ADCO Group is Mack-Cali's current joint venture partner in the project. Located at 201 Third Street, Convention Plaza is 83.9 percent leased.

Both transactions are expected to close in the fourth quarter.

DIVIDENDS

In June, the Company's Board of Directors declared an increased cash dividend of \$0.64 per common share (indicating an annual rate of \$2.56 per common share) for the third quarter 2006. The annualized dividend rate of \$2.56 per common share represents a 1.6 percent increase from the previous annualized dividend of \$2.52 per common share. The dividend was paid on October 16, 2006 to shareholders of record as of October 4, 2006.

The Board also declared a cash dividend on its 8 percent Series C cumulative redeemable perpetual preferred stock (\$25 liquidation value per depositary share, each representing 1/100th of a share of preferred stock) equal to \$0.50 per depositary share for the period July 15, 2006 through October 14, 2006. The dividend was paid on October 16, 2006 to shareholders of record as of October 4, 2006.

LEASING INFORMATION

Mack-Cali's consolidated in-service portfolio was 91.4 percent leased at September 30, 2006, as compared to 90.7 percent leased at June 30, 2006.

For the quarter ended September 30, 2006, the Company executed 172 leases totaling 966,273 square feet, consisting of 843,542 square feet of office space, 121,381 square feet of office/flex space and 1,350 square feet of industrial/warehouse space. Of these totals, 286,651 square feet were for new leases and 679,622 square feet were for lease renewals and other tenant retention transactions.

Highlights of the quarter's leasing transactions include:

IN NORTHERN NEW JERSEY:

- DB Services New Jersey, Inc., a facilities arm of international bank Deutsche Bank, renewed its lease for 90,000 square feet and expanded by 191,920 square feet for approximately 10 years at Harborside Financial Center, Plaza 1 in Jersey City, New Jersey. The 400,000 square-foot office building is 92.8 percent leased.
- Kiewit Construction Company, a civil construction contractor, signed a new eight-year lease for 26,500 square feet at 470 Chestnut Ridge Road in Woodcliff Lake, New Jersey. The 52,500 square-foot office building is 81.2 percent leased.
- Electronics for Imaging, Inc., a provider of printing technology products and services, signed a five-year renewal for 11,960 square feet at 4 Gatehall Drive in Parsippany, New Jersey.

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- Also at 4 Gatehall Drive, Natrel Communications, Inc., a marketing firm, signed a new, three-year lease for 10,440 square feet. 4 Gatehall Drive is a 248,480 square-foot office building and is 77.1 percent leased.
 - Starr, Gern, Davison & Rubin P.C., a law firm, signed a new, 10-year and two month lease for 11,294 square feet at 105 Eisenhower Parkway in Roseland, New Jersey. Located in the Eisenhower/280 Corporate Center, 105 Eisenhower Parkway is a 220,000 square-foot office building and is 85.8 percent leased.

IN CENTRAL NEW JERSEY:

- DeVine Corporation, a tableware distributor, renewed its lease for 16,524 square feet for five years at 1345 Campus Parkway in Wall Township, New Jersey. 1345 Campus Parkway is a 76,300 square-foot office/flex building located in Monmouth Shores Corporate Park and is 100 percent leased.
- Wells Fargo Home Mortgage, Inc., a subsidiary of financial services provider Wells Fargo & Company, renewed its lease for 14,379 square feet at 343 Thornall Street in Edison, New Jersey for three years. 343 Thornall Street is a 195,709 square-foot office building and is 96.8 percent leased.

IN WESTCHESTER COUNTY, NEW YORK:

- Hypres, Inc., an electronics company, renewed its lease for 17,200 square feet at 175 Clearbrook Road in Elmsford, New York for a term of four years and seven months. 175 Clearbrook Road is a 98,900 square-foot office/flex building and is 100 percent leased.
- Argus Information and Advisory Services, LLC, a management consulting and information services firm, signed a new, 10-year lease for 16,932 square feet at 50 Main Street in White Plains, New York. Located in the Westchester Financial Center, 50 Main Street is a 309,000 square-foot office building and is 99.3 percent leased.

IN FAIRFIELD COUNTY, CONNECTICUT:

- South Beach Beverage Company (SoBe), a division of Pepsi-Cola North America, renewed its lease of 21,181 square feet at 40 Richards Avenue in Norwalk, Connecticut for four years.
- Also at 40 Richards Avenue, HQ Global Workplaces, LLC, a provider of temporary office suites, signed a new lease for 14,459 square feet for 11 years and six months. 40 Richards Avenue is a 145,487 square-foot office building and is 79.6 percent leased.
- HQ Global Workplaces, LLC also signed a new lease for 19,190 square feet at 1266 East Main Street in Stamford, Connecticut for a term of 11 years and six months. 1266 East Main Street is a 179,260 square-foot office building and is 81.3 percent leased.

IN SUBURBAN PHILADELPHIA:

- Brinker Capital, Inc., an investment services provider, signed for a total of 32,469 square feet at 1055 Westlakes Drive in Berwyn, Pennsylvania. The transaction represented a 10-year expansion of 12,869 square feet and 44-month renewal of 19,600 square feet. 1055 Westlakes Drive is a 118,487 square-foot office building, located in the Westlakes Corporate Park, and is 96.8 percent leased.
- The University of Pennsylvania Health System, on behalf of Home Care and Hospice Services, signed a new seven-year lease for 21,306 square feet at 150 Monument Road in Bala Cynwyd, Pennsylvania. 150 Monument Road is a 125,783 square-foot office building and is 98.4 percent leased.

IN WASHINGTON, DC/MARYLAND

- Gryphon Technologies, a systems integration, engineering and information technology company, signed a new, five-year and five-month lease for 14,159 square feet at 6301 Ivy Lane in Greenbelt, Maryland. 6301 Ivy Lane, located in Capital Office Park, is a 112,003 square-foot office building and is 83.7 percent leased.

Included in the Company's Supplemental Operating and Financial Data for the third quarter 2006 are schedules highlighting the leasing statistics for both the Company's consolidated and joint venture properties.

The supplemental information is available on Mack-Cali's website, as follows:
<http://www.mack-cali.com/graphics/shareholders/pdfs/3rd.quarter.sp.06.pdf>

ADDITIONAL INFORMATION

The Company expressed comfort with net income and FFO per diluted share for the fourth quarter 2006 and full year 2007, as follows:

| | Fourth Quarter 2006 Range | Full Year 2007 Range |
|--|--------------------------------------|---------------------------------|
| Net income available to common shareholders | \$1.11 - \$1.13 | \$1.05 - \$1.21 |
| Add: Real estate-related depreciation and amortization | 0.59 | 2.33 |
| Deduct: Gain on Sale of Rental Property | (0.86) | — |
| Funds from operations available to common shareholders | <u>\$0.84 - \$0.86</u> | <u>\$3.38 - \$3.54</u> |

These estimates reflect management's view of current market conditions and certain assumptions with regard to rental rates, occupancy levels and other assumptions/projections. Actual results could differ from these estimates.

An earnings conference call with management is scheduled for today, November 2, 2006 at 11:00 a.m. Eastern Time, which will be broadcast live via the Internet at:
http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=CLI&script=1010&item_id=1401633

The live conference call is also accessible by calling (913) 981-5545 and requesting the Mack-Cali conference call.

The conference call will be rebroadcast on Mack-Cali's website at <http://www.mack-cali.com> beginning at 2:00 p.m. Eastern Time on November 2, 2006 through November 9, 2006.

A replay of the call will also be accessible during the same time period by calling (719) 457-0820 and using the pass code 2983453.

Copies of Mack-Cali's 2006 Form 10-Q and Supplemental Operating and Financial Data are available on Mack-Cali's website, as follows:

Third Quarter 2006 Form 10-Q:
<http://www.mack-cali.com/graphics/shareholders/pdfs/3rd.quarter.10q.06/pdf>

Third Quarter 2006 Supplemental Operating and Financial Data:
<http://www.mack-cali.com/graphics/shareholders/pdfs/3rd.quarter.sp.06.pdf>

In addition, these items are available upon request from:
 Mack-Cali Investor Relations Dept.
 P.O. Box 7817, Edison, New Jersey 08818-7817
 (732) 590-1000 ext. 1143

INFORMATION ABOUT FFO

Funds from operations ("FFO") is defined as net income (loss) before minority interest of unitholders, computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from extraordinary items and sales of depreciable rental property (which the Company believes includes unrealized losses on properties held for sale), plus real estate-related depreciation and amortization. The Company believes that FFO per share is helpful to investors as one of several measures of the performance of an equity REIT. The Company further believes that by excluding the effect of depreciation and gains (or losses) from sales of properties (all of which are based on historical costs which may be of limited relevance in evaluating current performance), FFO per share can facilitate comparison of operating performance between equity REITs. FFO per share should not be considered as an alternative to net income per share as an indication of the Company's performance or to cash flows as a measure of liquidity. FFO per share presented herein is not necessarily comparable to FFO per share presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's FFO per share is comparable to the FFO per share of real estate companies that use the current definition of the National Association of Real Estate Investment Trusts ("NAREIT"). A reconciliation of net income per share to FFO per share is included in the financial tables accompanying this press release.

ABOUT THE COMPANY

Mack-Cali Realty Corporation is a fully-integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali owns or has interests in 321 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 36.1 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,600 tenants.

Additional information on Mack-Cali Realty Corporation is available on the Company's website at <http://www.mack-cali.com>.

The information in this press release must be read in conjunction with, and is modified in its entirety by, the Quarterly Report on Form 10-Q (the "10-Q") filed by the Company for the same period with the Securities and Exchange Commission (the "SEC") and all of the Company's other public filings with the SEC (the "Public Filings"). In particular, the financial information contained herein is subject to and qualified by reference to the financial statements contained in the 10-Q, the footnotes thereto and the limitations set forth therein. Investors may not rely on the press release without reference to the 10-Q and the Public Filings.

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words

such as "may," "will," "plan," "should," "expect," "anticipate," "estimate," "continue," or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the headings "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, which are incorporated herein by reference. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

Mack-Cali Realty Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts) (unaudited)

| | Quarter Ended September 30, | |
|---|--------------------------------|------------------|
| | 2006 | 2005 |
| Revenues | | |
| Base rents | \$ 140,356 | \$ 127,770 |
| Escalations and recoveries from tenants | 25,045 | 21,163 |
| Construction services | 23,236 | — |
| Real estate services | 10,653 | 636 |
| Other income | 3,927 | 4,583 |
| Total revenues | <u>203,217</u> | <u>154,152</u> |
| Expenses | | |
| Real estate taxes | 22,652 | 19,885 |
| Utilities | 18,766 | 15,867 |
| Operating services | 23,534 | 19,544 |
| Direct construction costs | 22,568 | — |
| Real estate services salaries, wages and other costs | 6,686 | — |
| General and administrative | 12,173 | 7,952 |
| Depreciation and amortization | 40,132 | 37,838 |
| Total expenses | <u>146,511</u> | <u>101,086</u> |
| Operating Income | 56,706 | 53,066 |
| Other (Expense) Income | | |
| Interest expense | (35,815) | (30,159) |
| Interest and other investment income | 514 | 308 |
| Equity in earnings (loss) of unconsolidated joint ventures | (4,757) | 322 |
| Minority interest in consolidated joint ventures | 113 | — |
| Total other (expense) income | <u>(39,945)</u> | <u>(29,529)</u> |
| Income from continuing operations before Minority interest in Operating Partnership | 16,761 | 23,537 |
| Minority interest in Operating Partnership | (3,263) | (4,205) |
| Income from continuing operations | 13,498 | 19,332 |
| Discontinued operations (net of minority interest): | | |
| Income from discontinued operations | 3,013 | 1,772 |
| Total discontinued operations, net | <u>3,013</u> | <u>1,772</u> |
| Net income | 16,511 | 21,104 |
| Preferred stock dividends | (500) | (500) |
| Net income available to common shareholders | <u>\$ 16,011</u> | <u>\$ 20,604</u> |
| PER SHARE DATA: | | |
| Basic earnings per common share | \$ 0.26 | \$ 0.33 |
| Diluted earnings per common share | \$ 0.26 | \$ 0.33 |
| Dividends declared per common share | \$ 0.64 | \$ 0.63 |
| Basic weighted average shares outstanding | 62,302 | 61,609 |
| Diluted weighted average shares outstanding | <u>78,258</u> | <u>75,760</u> |

Mack-Cali Realty Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts) (unaudited)

Nine Months Ended
September 30,

| | 2006 | 2005 |
|--|------------------|------------------|
| Revenues | | |
| Base rents | \$ 406,989 | \$ 380,284 |
| Escalations and recoveries from tenants | 69,862 | 57,128 |
| Construction services | 36,286 | — |
| Real estate services | 19,015 | 1,853 |
| Other income | 9,985 | 7,517 |
| Total revenues | <u>542,137</u> | <u>446,782</u> |
| Expenses | | |
| Real estate taxes | 64,891 | 56,890 |
| Utilities | 46,789 | 38,648 |
| Operating services | 66,024 | 59,428 |
| Direct construction costs | 35,148 | — |
| Real estate services salaries, wages and other costs | 10,820 | — |
| General and administrative | 32,796 | 23,449 |
| Depreciation and amortization | 116,980 | 106,067 |
| Total expenses | <u>373,448</u> | <u>284,482</u> |
| Operating Income | 168,689 | 162,300 |
| Other (Expense) Income | | |
| Interest expense | (100,620) | (88,919) |
| Interest and other investment income | 2,359 | 493 |
| Equity in earnings (loss) of unconsolidated joint ventures | (5,356) | 552 |
| Minority interest in consolidated joint ventures | 143 | (74) |
| Gain on sale of investment in marketable securities | 15,060 | — |
| Gain on sale of investment in unconsolidated joint ventures | — | 35 |
| Total other (expense) income | <u>(88,414)</u> | <u>(87,913)</u> |
| Income from continuing operations before Minority interest in Operating Partnership | 80,275 | 74,387 |
| Minority interest in Operating Partnership | (15,326) | (15,043) |
| Income from continuing operations | 64,949 | 59,344 |
| Discontinued operations (net of minority interest): | | |
| Income from discontinued operations | 7,872 | 12,270 |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | 3,921 | 8,973 |
| Total discontinued operations, net | <u>11,793</u> | <u>21,243</u> |
| Net income | 76,742 | 80,587 |
| Preferred stock dividends | (1,500) | (1,500) |
| Net income available to common shareholders | <u>\$ 75,242</u> | <u>\$ 79,087</u> |
| PER SHARE DATA: | | |
| Basic earnings per common share | \$ 1.21 | \$ 1.29 |
| Diluted earnings per common share | \$ 1.20 | \$ 1.29 |
| Dividends declared per common share | \$ 1.90 | \$ 1.89 |
| Basic weighted average shares outstanding | 62,158 | 61,397 |
| Diluted weighted average shares outstanding | 77,664 | 73,585 |

Mack-Cali Realty Corporation
Statements of Funds from Operations
(in thousands, except per share/unit amounts) (unaudited)

| | Quarter Ended September 30, | |
|--|--------------------------------|------------------|
| | 2006 | 2005 |
| Net income available to common shareholders | \$ 16,011 | \$ 20,604 |
| Add: Minority interest in Operating Partnership | 3,263 | 4,205 |
| Minority interest in discontinued operations | 756 | 395 |
| Real estate-related depreciation and amortization on continuing operations (1) | 45,409 | 38,568 |
| Real estate-related depreciation and amortization on discontinued operations | 1,662 | 2,910 |
| Funds from operations available to common shareholders (2) | \$ 67,101 | \$ 66,682 |
| Diluted weighted average shares/units outstanding (3) | 78,258 | 75,760 |
| Funds from operations per share/unit — diluted | \$ 0.86 | \$ 0.88 |
| Dividends declared per common share | \$ 0.64 | \$ 0.63 |
| Dividend payout ratio: | | |
| Funds from operations-diluted | 74.64% | 71.58% |
| Supplemental Information: | | |
| Non-incremental revenue generating capital expenditures: | | |
| Building improvements | \$ 3,184 | \$ 1,404 |
| Tenant improvements and leasing commissions | \$ 15,690 | \$ 11,198 |
| Straight-line rent adjustments (4) | \$ 5,003 | \$ 3,239 |
| Amortization of (above)/below market lease intangibles, net | \$ 234 | \$ 1,197 |

- (1) Includes the Company's share from unconsolidated joint ventures of \$5,421 and \$885 for 2006 and 2005, respectively.
- (2) Funds from operations for both periods are calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) definition. For further discussion, see "Information About FFO" in this release.
- (3) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares, (15,643 shares in 2006 and 13,755 shares in 2005), plus dilutive Common Stock Equivalents (i.e. stock options).
- (4) Includes the Company's share from unconsolidated joint ventures of \$1,272 and \$300 for 2006 and 2005, respectively.

Mack-Cali Realty Corporation
Statements of Funds from Operations
(in thousands, except per share/unit amounts) (unaudited)

| | Nine Months Ended September 30, | |
|---|------------------------------------|-------------------|
| | 2006 | 2005 |
| Net income available to common shareholders | \$ 75,242 | \$ 79,087 |
| Add: Minority interest in Operating Partnership | 15,326 | 15,043 |
| Minority interest in discontinued operations | 2,910 | 4,392 |
| Real estate-related depreciation and amortization on continuing operations (1) | 126,625 | 108,370 |
| Real estate-related depreciation and amortization on discontinued operations | 7,088 | 9,420 |
| Deduct: Gain on sale of investment in unconsolidated joint venture | — | (35) |
| Add: Discontinued operations — Realized gains (losses) and unrealized losses on disposition of rental property, net | (4,905) | (11,078) |
| Funds from operations available to common shareholders (2) | \$ 222,286 | \$ 205,199 |
| Diluted weighted average shares/units outstanding (3) | 77,664 | 75,631 |
| Funds from operations per share/unit — diluted | \$ 2.86 | \$ 2.71 |
| Dividends declared per common share | \$ 1.90 | \$ 1.89 |
| Dividend payout ratio: | | |
| Funds from operations-diluted | 66.38% | 69.66% |

Supplemental Information:

Non-incremental revenue generating capital expenditures:

| | | |
|---|-----------|-----------|
| Building improvements | \$ 7,575 | \$ 3,968 |
| Tenant improvements and leasing commissions | \$ 46,366 | \$ 31,901 |
| Straight-line rent adjustments (4) | \$ 17,603 | \$ 9,873 |
| Amortization of (above)/below market lease intangibles, net | \$ 1,260 | \$ 2,731 |

- (1) Includes the Company's share from unconsolidated joint ventures of \$10,078 and \$2,775 for 2006 and 2005, respectively.
- (2) Funds from operations for both periods are calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) definition. For further discussion, see "Information About FFO" in this release.
- (3) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares, (15,195 shares in 2006 and 13,810 shares in 2005), plus dilutive Common Stock Equivalents (i.e. stock options).
- (4) Includes the Company's share from unconsolidated joint ventures of \$2,413 and \$390 for 2006 and 2005, respectively.

Mack-Cali Realty Corporation
Statements of Funds from Operations Per Diluted Share
(amounts are per diluted share, except share count in thousands) (unaudited)

| | Quarter Ended September 30, | |
|---|--------------------------------|----------------|
| | 2006 | 2005 |
| Net income available to common shareholders | \$ 0.26 | \$ 0.33 |
| Add: Real estate-related depreciation and amortization on continuing operations (1) | 0.58 | 0.51 |
| Real estate-related depreciation and amortization on discontinued operations | 0.02 | 0.04 |
| Funds from operations available to common shareholders (2) | \$ 0.86 | \$ 0.88 |
| Diluted weighted average shares/units outstanding (3) | 78,258 | 75,760 |

- (1) Includes the Company's share from unconsolidated joint ventures of \$0.07 and \$0.01 for 2006 and 2005, respectively.
- (2) Funds from operations for both periods are calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) definition. For further discussion, see "Information About FFO" in this release.
- (3) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares (15,643 shares in 2006 and 13,755 shares in 2005), plus dilutive Common Stock Equivalents (i.e. stock options).

Mack-Cali Realty Corporation
Statements of Funds from Operations Per Diluted Share
(amounts are per diluted share, except share count in thousands) (unaudited)

| | Nine Months Ended September 30, | |
|---|------------------------------------|---------|
| | 2006 | 2005 |
| Net income available to common shareholders | \$ 1.20 | \$ 1.29 |
| Add: Real estate-related depreciation and amortization on continuing operations (1) | 1.63 | 1.43 |

| | | |
|--|----------------|----------------|
| Real estate-related depreciation and amortization on discontinued operations | 0.09 | 0.12 |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | (0.06) | (0.15) |
| Minority interest/rounding adjustment | — | 0.02 |
| Funds from operations available to common shareholders (2) | \$ 2.86 | \$ 2.71 |
| Diluted weighted average shares/units outstanding (3) | 77,664 | 75,631 |

- (1) Includes the Company's share from unconsolidated joint ventures of \$0.13 and \$0.04 for 2006 and 2005, respectively.
- (2) Funds from operations for both periods are calculated in accordance with the National Association of Real Estate Investment Trusts (NAREIT) definition. For further discussion, see "Information About FFO" in this release.
- (3) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common and preferred units into common shares 15,195 shares in 2006 and 13,810 shares in 2005), plus dilutive Common Stock Equivalents (i.e. stock options).

Mack-Cali Realty Corporation
Consolidated Balance Sheets
(in thousands, except share amounts) (unaudited)

| | September 30, 2006 | December 31, 2005 |
|---|-----------------------|----------------------|
| ASSETS: | | |
| Rental property | | |
| Land and leasehold interests | \$ 656,810 | \$ 637,653 |
| Buildings and improvements | 3,543,937 | 3,539,003 |
| Tenant improvements | 332,775 | 307,664 |
| Furniture, fixtures and equipment | 7,812 | 7,432 |
| | <u>4,541,334</u> | <u>4,491,752</u> |
| Less-accumulated deprec. & amort. | (763,053) | (722,980) |
| | 3,778,281 | 3,768,772 |
| Rental property held for sale, net | 247,207 | — |
| Net investment in rental property | 4,025,488 | 3,768,772 |
| Cash and cash equivalents | 20,780 | 60,397 |
| Marketable securities available for sale at fair value | — | 50,847 |
| Investments in unconsolidated joint ventures | 205,773 | 62,138 |
| Unbilled rents receivable, net | 107,757 | 92,692 |
| Deferred charges and other assets, net | 250,884 | 197,634 |
| Restricted cash | 15,981 | 9,221 |
| Accounts receivable, net | 42,098 | 5,801 |
| | <u>4,668,761</u> | <u>4,247,502</u> |
| Total assets | \$ 4,668,761 | \$ 4,247,502 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | |
| Senior unsecured notes | \$ 1,631,216 | \$ 1,430,509 |
| Revolving credit facility | 412,000 | 227,000 |
| Mortgages, loans payable and other obligations | 402,621 | 468,672 |
| Dividends and distributions payable | 50,521 | 48,178 |
| Accounts payable, accrued expenses and other liabilities | 133,371 | 85,481 |
| Rents received in advance and security deposits | 49,519 | 47,685 |
| Accrued interest payable | 19,197 | 27,871 |
| Total liabilities | <u>2,698,445</u> | <u>2,335,396</u> |
| Minority interests: | | |
| Operating Partnership | 480,951 | 400,819 |
| Consolidated joint ventures | 2,104 | — |
| Total minority interests | <u>483,055</u> | <u>400,819</u> |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.01 par value, 5,000,000 shares authorized, 10,000 and 10,000 shares outstanding, at liquidation preference | 25,000 | 25,000 |
| Common stock, \$0.01 par value, 190,000,000 shares authorized, 62,551,206 and 62,019,646 shares outstanding | 625 | 620 |
| Additional paid-in capital | 1,694,563 | 1,682,141 |
| Unamortized stock compensation | — | (6,105) |
| Dividends in excess of net earnings | (232,927) | (189,579) |
| Accumulated other comprehensive loss | — | (790) |
| Total stockholders' equity | <u>1,487,261</u> | <u>1,511,287</u> |
| Total liabilities and stockholders' equity | \$ 4,668,761 | \$ 4,247,502 |