

**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: August 1, 2007  
(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)

**N/A**  
(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 August 2, 2007, Mack-Cali Realty Corporation (the "Company") issued a press release announcing its financial results for the second quarter 2007. A copy of the press release is attached hereto as Exhibit 99.2.

**Item 7.01 Regulation FD Disclosure**

For the quarter ended June 30, 2007, 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

| Exhibit Number | Exhibit Title  |
|----------------|--|
| 99.1           | Second Quarter 2007 Supplemental Operating and Financial Data.                                   |
| 99.2           | Second Quarter 2007 earnings press release of Mack-Cali Realty Corporation dated August 2, 2007. |

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" and Item 9.01 "Financial Statements and Exhibits" 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 Current Report (including the exhibits hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

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**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.

**MACK-CALI REALTY CORPORATION**

Date: August 1, 2007

By: /s/ MITCHELL E. HERSH  
Mitchell E. Hersh  
President and  
Chief Executive Officer

Date: August 1, 2007

By: /s/ BARRY LEFKOWITZ  
Barry Lefkowitz  
Executive Vice President and  
Chief Financial Officer

**EXHIBIT INDEX**

| <u>Exhibit Number</u> | <u>Exhibit Title</u>  |
|-----------------------|---|
| 99.1                  | Second Quarter 2007 Supplemental Operating and Financial Data.                                  |
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## SECOND QUARTER 2007

## 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 operate;
- 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**

### **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 \$5.7 billion at June 30, 2007. 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 302 properties, primarily class A office and office/flex buildings, totaling approximately 34.8 million square feet, serving as home to approximately 2,200 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 11.7 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 June 30, 2007)*

|                        |                          |
|------------------------|--------------------------|
| Corporate Headquarters | Edison, New Jersey       |
| Fiscal Year-End        | 12/31                    |
| Total Properties       | 302                      |
| Total Square Feet      | 34.8 million square feet |

|                                     |   |
|-------------------------------------|---|
| Geographic Diversity                | Seven states and the District of Columbia |
| New Jersey Presence                 | 23.2 million square feet                  |
| Northeast Presence                  | 33.5 million square feet                  |
| Common Shares and Units Outstanding | 83.2 million                              |
| Dividend—Quarter/Annualized         | \$0.64/\$2.56                             |
| Dividend Yield                      | 5.9%                                      |
| Total Market Capitalization         | \$5.7 billion                             |
| Senior Debt Rating                  | BBB (S&P and Fitch);<br>Baa2 (Moody's)    |

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#### **Board of Directors**

William L. Mack, *Chairman of the Board*

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

#### **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*

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#### **Equity Research Coverage**

|   |   |
|---|---|
| <b>Banc of America Securities, LLC</b><br>Mitchell B. Germain<br>(212) 847-5794 | <b>Keybank Capital Markets</b><br>Jordan Sadler<br>(917) 368-2280           |
| <b>Bear, Stearns &amp; Co., Inc.</b><br>Ross Smotrich<br>(212) 272-8046         | <b>Lehman Brothers</b><br>David Harris<br>(212) 526-1790                    |
| <b>Citigroup</b><br>Jonathan Litt<br>(212) 816-0231                             | <b>Merrill Lynch</b><br>Ian Weissman<br>(212) 449-6255                      |
| <b>Deutsche Bank-North America</b><br>Louis Taylor<br>(212) 250-4912            | <b>Morgan Stanley</b><br>David Cohen<br>(212) 761-8564                      |
| <b>Goldman Sachs &amp; Co.</b><br>Jonathan Habermann<br>(917) 343-4260          | <b>Stifel Nicolaus &amp; Company, Inc.</b><br>John Guinee<br>(410) 454-5520 |
| <b>Green Street Advisors</b><br>Michael Knott<br>(949) 640-8780                 | <b>Wachovia Securities</b><br>Christopher Haley<br>(443) 263-6773           |
| <b>Keefe, Bruyette &amp; Woods, Inc.</b><br>Shelia K. McGrath<br>(212) 887-7793 |   |

#### **Company Contact Information**

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## **II. FINANCIAL HIGHLIGHTS**

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## **II. FINANCIAL HIGHLIGHTS**

### **Quarterly Summary**

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

Net income available to common shareholders for the second quarter 2007 equaled \$51.1 million, or \$0.75 per share, versus \$26.6 million, or \$0.43 per share, for the same quarter last year. For the six months ended June 30, 2007, net income available to common shareholders equaled \$69.7 million, or \$1.04 per share, versus \$59.2 million, or \$0.95 per share, for the same period last year.

Funds from operations (FFO) available to common shareholders for the quarter ended June 30, 2007 amounted to \$73.2 million, or \$0.88 per share, versus \$74.4 million, or \$0.95 per share, for the quarter ended June 30, 2006. For the six months ended June 30, 2007, FFO available to common shareholders amounted to \$143.4 million, or \$1.74 per share, versus \$155.2 million, or \$2.00 per share, for the same period last year.

Total revenues for the second quarter 2007 increased 9.7 percent to \$200.5 million as compared to \$182.8 million for the same quarter last year. For the six months ended June 30, 2007, total revenues amounted to \$393.8 million, an increase of 17.7 percent over total revenues of \$334.7 million, for the same period last year.

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

The Company had 67,923,941 shares of common stock, 10,000 shares of 8 percent Series C cumulative redeemable perpetual preferred stock (\$25,000 liquidation value per share), and 15,250,592 common operating partnership units outstanding as of June 30, 2007.

The Company had a total of 83,174,533 common shares/common units outstanding at June 30, 2007.

As of June 30, 2007, the Company had total indebtedness of approximately \$2.1 billion, with a weighted average annual interest rate of 6.13 percent. The Company had a total market capitalization of \$5.7 billion and a debt-to-undepreciated assets ratio of 38.2 percent at June 30, 2007. The Company had an interest coverage ratio of 3.3 times for the quarter ended June 30, 2007.

### **Acquisitions / Development**

In May, the Company completed its development and acquisition transactions with AAA Mid-Atlantic for properties in Hamilton Township, New Jersey.

The transactions consist of:

- The Company's development for AAA of a three-story, 120,000 square-foot class A office building on a 21.6 acre land site at the Company's Horizon Center Business Park. AAA pre-leased the building, which it will use as an operations center, for 15 years.
- The Company's acquisition from AAA, for approximately \$8.8 million, of two office buildings totaling 69,232 square feet and land for development of up to an additional 219,000 square feet of commercial space.

The properties and land sites acquired consist of:

- A 33,962 square-foot office building on 9.5 acres of land at 2 South Gold Drive. The site can be redeveloped to accommodate up to a total of 109,000 square feet of commercial space. AAA has leased back 9,784 square feet at the building for 10 years.
- A 35,270 square-foot office building with 17.5 acres of land at 3 and 5 AAA Drive. The site can be redeveloped to accommodate up to a total of 147,000 square feet of commercial space.
- A 2.4 acre land parcel at 6 AAA Drive for the development of up to 32,000 square feet of commercial space.

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In June, the Company completed its acquisition of commercial condominium interests in 125 Broad Street, a downtown Manhattan office tower, for \$273 million. The commercial condominium units, which are 100 percent leased, were acquired from SL Green Realty Corporation. The units are comprised of floors 2-16, totaling 524,500 square feet of office space, which represents 39.6 percent of the office tower.

Also in June, the Company acquired 43 acres of approved land within Capital Office Park in Greenbelt, Maryland, for approximately \$13 million. The land, which can accommodate the development of up to 602,000 square feet of office space, was acquired pursuant to an option agreement that was part of the Company's February 2006

acquisition of Capital Office Park. The seven-building class A office complex is located on the Capital Beltway northeast of Washington D.C.

### Sales

In May, the Company sold 1000 Bridgeport Avenue in Shelton, Connecticut, for approximately \$17 million. The 133,000 square-foot class A office building, which is 93.1 percent leased, was sold to a partnership of The Praedium Group LLC and Abbey Road Advisors LLC.

In June, the Company completed the sale of a Greenwich, Connecticut property at 500 West Putnam Avenue to SL Green Realty Corporation for \$56 million. The property, which was the Company's sole asset in Greenwich, is a four-story, 121,500 square-foot office building that is 94.4 percent leased.

More recently, in July, the Company sold two office buildings in Egg Harbor Township, New Jersey, for approximately \$12.5 million. The buildings, which total 80,344 square feet, were sold to an entity controlled by Ron DePietro of Haddonfield, New Jersey. The buildings are located at 100 and 200 Decadon Drive and are 100 percent leased.

### Dividends

In June, the Company's Board of Directors declared a cash dividend of \$0.64 per common share (indicating an annual rate of \$2.56 per common share) for the second quarter 2007, which was paid on July 16, 2007 to shareholders of record as of July 5, 2007.

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 1/100<sup>th</sup> of a share of preferred stock) equal to \$0.50 per depositary share for the period April 15, 2007 through July 14, 2007. The dividend was paid on July 16, 2007 to shareholders of record as of July 5, 2007.

### Financing Activity

In June, the Company announced that its operating partnership, Mack-Cali Realty, L.P., extended and modified its unsecured revolving credit facility with a group of 23 lender banks. The \$600 million unsecured facility, which is expandable to \$800 million, was extended for an additional two years and now matures in June 2011. The interest rate was reduced by 10 basis points to LIBOR plus 55 basis points at the BBB/Baa2 pricing level. The interest rate is subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings.

### Leasing

Mack-Cali's consolidated in-service portfolio was 91.9 percent leased at June 30, 2007, as compared to 92.2 percent at March 31, 2007.

For the quarter ended June 30, 2007, the Company executed 135 leases totaling 1,070,555 square feet, consisting of 759,269 square feet of office space, 303,010 square feet of office/flex space and 8,276 square feet of industrial/warehouse space. Of these totals, 380,951 square feet were for new leases and 689,604 square feet were for lease renewals and other tenant retention transactions.

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Highlights of the quarter's leasing transactions include:

#### IN NORTHERN NEW JERSEY:

- Daiichi Sankyo, Inc., a pharmaceutical company, signed a 10-year renewal for 89,144 square feet and a 15-year expansion for 96,876 square feet, totaling 186,020 square-feet and representing the entire office building at Two Hilton Court in Parsippany.
- MannKind Corporation, a biopharmaceutical company, signed a transaction totaling 59,446 square feet at 61 South Paramus Road in Paramus. The deal consists of a 33-month expansion of 10,097 square feet, a 16-month expansion of 34,197 square feet and a 16-month renewal of 15,152 square feet. 61 South Paramus Road is a 269,191 square-foot office building that is 99.9 percent leased.

#### IN CENTRAL NEW JERSEY:

- Telecom services provider Sonus Networks, Inc. signed a new, eight-year lease for 28,462 square feet at 3 Paragon Way in Freehold. The 66,898 square-foot office building, located at Monmouth Executive Park, is 100 percent leased.

#### IN WESTCHESTER COUNTY, NEW YORK:

- MetroPCS New York, LLC, a division of wireless provider MetroPCS Communications, Inc., signed a new, 10-year lease for 34,870 square feet at 5 Skyline Drive in Hawthorne. This 124,022 square-foot office/flex building is 99.3 percent leased.
- Also at 5 Skyline Drive, Conri Services, Inc., a fulfillment distributor, signed a new, 11-year lease for 21,222 square feet. Conri Services also completed a 29-month renewal for 4,222 square feet at 250 Clearbrook Road in Elmsford. 250 Clearbrook Road is a 155,000 square-foot office/flex building that is 97.3 percent leased.
- Publishers Circulation Fulfillment, Inc., a provider of distribution outsourcing, signed a transaction totaling 24,112 square feet at 300 Executive Boulevard in Elmsford. The deal represents a six-year expansion for 5,712 square feet and an 18-month renewal of 18,400 square feet. 300 Executive Boulevard is a 60,000 square-foot office/flex building that is 63 percent leased.

#### IN SUBURBAN PHILADELPHIA:

Sussex Wine Merchants, a wine distributor, signed a five-year renewal for 19,075 square feet at 50 Twosome Drive in Moorestown. The 34,075 square-foot office/flex building is 100 percent leased.

#### IN WASHINGTON, D.C.:

The General Services Administration (GSA) signed a 100-month expansion for 26,274 square feet at 1400 L Street N.W. in Washington. This expansion brings the GSA's presence at 1400 L Street to 140,560 square feet in this fully-leased, 159,000 square-foot office building.

### 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 27.

### Key Financial Data

|   | As of or for the three months ended |            |            |            |            |
|---|-------------------------------------|------------|------------|------------|------------|
|   | 6/30/07                             | 3/31/07    | 12/31/06   | 9/30/06    | 6/30/06    |
| <b>Shares and Units:</b>  |                                     |            |            |            |            |
| Common Shares Outstanding                                       | 67,923,941                          | 67,847,852 | 62,925,191 | 62,551,206 | 62,360,388 |
| Common Units Outstanding (a)                                    | 15,250,592                          | 15,200,761 | 15,342,283 | 15,595,825 | 15,681,625 |
| Combined Shares and Units                                       | 83,174,533                          | 83,048,613 | 78,267,474 | 78,147,031 | 78,042,013 |
| Preferred Shares Outstanding                                    | 10,000                              | 10,000     | 10,000     | 10,000     | 10,000     |
| Weighted Average- Basic (b)                                     | 82,989,817                          | 80,981,701 | 78,026,613 | 77,944,623 | 77,780,362 |
| Weighted Average- Diluted (c)                                   | 83,192,728                          | 81,234,395 | 78,409,851 | 78,258,441 | 78,067,030 |
| <b>Common Share Price (\$'s):</b>                               |                                     |            |            |            |            |
| At the end of the period  | 43.49                               | 47.63      | 51.00      | 51.80      | 45.92      |
| High during period  | 50.83                               | 56.52      | 55.37      | 53.66      | 47.47      |
| Low during period   | 42.33                               | 46.89      | 48.24      | 45.47      | 42.17      |
| <b>Market Capitalization:</b>                                   |                                     |            |            |            |            |
| <i>(\$'s in thousands, except ratios)</i>                       |                                     |            |            |            |            |
| Market Value of Equity (d)                                      | 3,643,815                           | 3,982,484  | 4,018,758  | 4,075,120  | 3,610,858  |
| Total Debt  | 2,083,548                           | 1,996,017  | 2,159,959  | 2,445,837  | 2,367,609  |
| Total Market Capitalization                                     | 5,727,363                           | 5,978,501  | 6,178,717  | 6,520,957  | 5,978,467  |
| Total Debt/ Total Market Capitalization                         | 36.38%                              | 33.39%     | 34.96%     | 37.51%     | 39.60%     |
| <b>Financials:</b>  |                                     |            |            |            |            |
| <i>(\$'s in thousands, except ratios and per share amounts)</i> |                                     |            |            |            |            |
| Total Assets  | 4,620,222                           | 4,473,403  | 4,422,889  | 4,668,761  | 4,622,422  |
| Gross Book Value of Real Estate Assets                          | 4,841,833                           | 4,574,395  | 4,573,587  | 4,839,677  | 4,792,269  |
| Total Liabilities   | 2,368,874                           | 2,237,640  | 2,412,762  | 2,698,445  | 2,626,066  |
| Total Minority Interests  | 476,781                             | 472,149    | 482,220    | 483,055    | 491,761    |
| Total Stockholders' Equity                                      | 1,774,567                           | 1,763,614  | 1,527,907  | 1,487,261  | 1,504,595  |
| Total Revenues  | 200,530                             | 193,258    | 196,083    | 201,252    | 182,789    |
| Capitalized Interest  | 1,186                               | 1,324      | 1,281      | 1,719      | 1,571      |
| Scheduled Principal Payments                                    | 2,469                               | 3,645      | 4,416      | 3,912      | 4,189      |
| Interest Coverage Ratio   | 3.34                                | 3.27       | 2.91       | 2.87       | 3.23       |
| Fixed Charge Coverage Ratio                                     | 2.94                                | 2.77       | 2.47       | 2.45       | 2.71       |
| Net Income  | 51,578                              | 19,079     | 67,924     | 16,511     | 27,134     |
| Net Income Available to Common Shareholders                     | 51,078                              | 18,579     | 67,424     | 16,011     | 26,634     |
| Earnings per Share—diluted                                      | 0.75                                | 0.28       | 1.07       | 0.26       | 0.43       |
| FFO per Share—diluted (e)                                       | 0.88                                | 0.86       | 0.87       | 0.86       | 0.95       |
| Dividends Declared per Share                                    | 0.64                                | 0.64       | 0.64       | 0.64       | 0.63       |
| FFO Payout Ratio—diluted (e)                                    | 72.69%                              | 74.15%     | 73.58%     | 74.64%     | 66.09%     |
| <b>Portfolio Size:</b>  |                                     |            |            |            |            |
| Properties  | 302                                 | 300        | 300        | 321        | 319        |
| Total Square Footage  | 34,754,192                          | 34,294,734 | 34,294,734 | 36,066,424 | 35,826,085 |
| Sq. Ft. Leased at End of Period (f) (g)                         | 91.9%                               | 92.2%      | 92.0%      | 91.4%      | 90.7%      |

- (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 11.
- (f) Percentage leased includes leases in effect as of the period end date, some of which have commencement dates in the future (including, at June 30, 2007, a lease with commencement date substantially in the future consisting of 8,590 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).



**Same Store Results and Analysis**  
(dollars in thousands)

|                                     | For the three months ended<br>June 30, |            | Change    | %<br>Change |
|-------------------------------------|--|------------|-----------|-------------|
|                                     | 2007                                   | 2006       |           |             |
| Total Property Revenues             | \$ 164,238                             | \$ 156,883 | \$ 7,355  | 4.7         |
| Real Estate Taxes                   | 23,004                                 | 20,879     | 2,125     | 10.2        |
| Utilities                           | 14,859                                 | 13,080     | 1,779     | 13.6        |
| Operating Services                  | 24,290                                 | 20,837     | 3,453     | 16.6        |
| Total Property Expenses:            | 62,153                                 | 54,796     | 7,357     | 13.4        |
| GAAP Net Operating Income           | 102,085                                | 102,087    | (2)       | 0.0         |
| Less: straight-lining of rents adj. | 1,619                                  | 4,761      | (3,142)   | (66.0)      |
| Net Operating Income                | \$ 100,466                             | \$ 97,326  | \$ 3,140  | 3.2         |
| Percentage Leased at Period End     | 91.8%                                  | 90.5%      |           |             |
| Total Properties:                   | 247                                    |            |           |             |
| Total Square Footage:               | 27,912,807                             |            |           |             |
|                                     | For the six months ended<br>June 30,   |            | Change    | %<br>Change |
|                                     | 2007                                   | 2006       |           |             |
| Total Property Revenues             | \$ 319,341                             | \$ 301,654 | \$ 17,687 | 5.9         |
| Real Estate Taxes                   | 44,915                                 | 41,040     | 3,875     | 9.4         |
| Utilities                           | 31,180                                 | 27,050     | 4,130     | 15.3        |
| Operating Services                  | 44,991                                 | 39,878     | 5,113     | 12.8        |
| Total Property Expenses:            | 121,086                                | 107,968    | 13,118    | 12.1        |
| GAAP Net Operating Income           | 198,255                                | 193,686    | 4,569     | 2.4         |
| Less: straight-lining of rents adj. | 5,169                                  | 10,188     | (5,019)   | (49.3)      |
| Net Operating Income                | \$ 193,086                             | \$ 183,498 | \$ 9,588  | 5.2         |
| Percentage Leased at Period End     | 92.0%                                  | 90.6%      |           |             |
| Total Properties:                   | 240                                    |            |           |             |
| Total Square Footage:               | 27,070,549                             |            |           |             |

**Unconsolidated Joint Ventures Summary**

**Breakdown of Unconsolidated Joint Ventures**

| Joint Venture Name                   | Property                                | Number of<br>Buildings | Location            | Percent<br>Leased | Square<br>Feet | Company's<br>Effective<br>Ownership % |
|--------------------------------------|---|------------------------|---------------------|-------------------|----------------|---------------------------------------|
| <b>Office Properties:</b>            |   |                        |                     |                   |                |                                       |
| Red Bank Corporate Plaza             | Red Bank Corporate Plaza (a)            | 1                      | Red Bank, NJ        | 100.0%            | 92,878         | 50.0%                                 |
| Mack-Green-Gale                      | Bellemead Portfolio                     | 25                     | New Jersey/Michigan | 82.7%             | 3,446,596      | 50.0%                                 |
| Route 93 Ventures                    | Route 495 North Sub Market              | 7                      | Boston Suburbs, MA  | 32.3%             | 666,697        | 25.0%                                 |
| Gale Kimball L.L.C.                  | 100 Kimball Drive                       | 1                      | Parsippany, NJ      | 91.4%             | 175,000        | 8.33%                                 |
| 12 Vreeland Realty L.L.C.            | 12 Vreeland Road                        | 1                      | Florham Park, NJ    | 100.0%            | 139,750        | 50.0%                                 |
| <b>Office/Flex Properties:</b>       |   |                        |                     |                   |                |                                       |
| Ramland Realty Associates, L.L.C.    | One Ramland Road                        | 1                      | Orangeburg, NY      | 65.9%             | 232,000        | 50.0%                                 |
| <b>Mixed-Use:</b>                    |   |                        |                     |                   |                |                                       |
| GE/Gale Funding L.L.C.               | Princeton Forrestal Village             | n/a                    | Princeton, NJ       | 92.8%             | 527,015        | 10.0%                                 |
| Boston-Filenes                       | Boston-Filenes                          | 1                      | Boston, MA          | n/a               | 1,200,000      | 15.0%                                 |
| <b>Hotel:</b>                        |   |                        |                     |                   |                |                                       |
| Harborside South Pier                | Hyatt Regency Jersey City on the Hudson | 1                      | Jersey City, NJ     | n/a               | 350 rooms      | 50.0%                                 |
| <b>Land:</b>                         |   |                        |                     |                   |                |                                       |
| 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 Interest Vacant Land | n/a | Bridgewater, NJ | n/a | n/a | 50.0% |
| Red Bank Corporate Plaza II  | Vacant Land                      | n/a | Red Bank, NJ    | n/a | n/a | 50.0% |

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

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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 June 30, 2007 and December 31, 2006 (*dollars in thousands*):

|   | June 30, 2007                    |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
|---|----------------------------------|-------------------|--------------------------|--------------------------------|-------------------------|-----------------------------------|-----------------------|------------------|------------------|-----------------|--------------------|-------------------------|-------------------|
|   | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball  | 55<br>Corporate  | 12<br>Vreeland  | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Assets:   |                                  |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
| Rental property, net  | \$ 11,095                        | \$ 11,844         | \$ 66,640                | \$ 21,599                      | \$ 475,513              | \$ 43,077                         | \$ 55,873             | \$ 29,219        | \$ 17,000        | \$ 8,021        | —                  | \$ 280                  | \$ 740,161        |
| Other assets  | 1,797                            | 872               | 15,338                   | 2,245                          | 71,079                  | 26,026                            | 3,612                 | 654              | —                | 849             | \$ 49,629          | 4,757                   | 176,858           |
| Total assets  | <u>\$ 12,892</u>                 | <u>\$ 12,716</u>  | <u>\$ 81,978</u>         | <u>\$ 23,844</u>               | <u>\$ 546,592</u>       | <u>\$ 69,103</u>                  | <u>\$ 59,485</u>      | <u>\$ 29,873</u> | <u>\$ 17,000</u> | <u>\$ 8,870</u> | <u>\$ 49,629</u>   | <u>\$ 5,037</u>         | <u>\$ 917,019</u> |
| Liabilities and partners'/members' capital (deficit):       |                                  |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
| Mortgages, loans payable and other obligations              | —                                | \$ 14,861         | \$ 76,803                | \$ 16,685                      | \$ 361,455              | \$ 52,800                         | \$ 41,255             | \$ 18,602        | —                | \$ 9,256        | —                  | —                       | \$ 591,717        |
| Other liabilities   | \$ 529                           | 306               | 6,433                    | 7                              | 33,679                  | 7,253                             | 598                   | —                | —                | —               | \$ 114             | \$ 3,904                | 52,823            |
| Partners'/members' capital (deficit):                       | <u>12,363</u>                    | <u>(2,451)</u>    | <u>(1,258)</u>           | <u>7,152</u>                   | <u>151,458</u>          | <u>9,050</u>                      | <u>17,632</u>         | <u>11,271</u>    | <u>\$ 17,000</u> | <u>(386)</u>    | <u>49,515</u>      | <u>1,133</u>            | <u>272,479</u>    |
| Total liabilities and partners'/members' capital (deficit): | <u>\$ 12,892</u>                 | <u>\$ 12,716</u>  | <u>\$ 81,978</u>         | <u>\$ 23,844</u>               | <u>\$ 546,592</u>       | <u>\$ 69,103</u>                  | <u>\$ 59,485</u>      | <u>\$ 29,873</u> | <u>\$ 17,000</u> | <u>\$ 8,870</u> | <u>\$ 49,629</u>   | <u>\$ 5,037</u>         | <u>\$ 917,019</u> |
| Company's investment in unconsolidated joint ventures       | <u>\$ 6,101</u>                  | <u>—</u>          | <u>—</u>                 | <u>\$ 3,795</u>                | <u>\$ 131,013</u>       | <u>\$ 2,159</u>                   | <u>\$ 5,259</u>       | <u>\$ 987</u>    | <u>\$ 8,500</u>  | <u>\$ 7,377</u> | <u>\$ 15,323</u>   | <u>\$ 545</u>           | <u>\$ 181,059</u> |
|   |                                  |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
|   | December 31, 2006                |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
|   | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball  | 55 Corporate     | 12 Vreeland     | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Assets:   |                                  |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
| Rental property, net  | \$ 11,404                        | \$ 12,141         | \$ 69,303                | \$ 12,462                      | \$ 480,867              | \$ 39,538                         | \$ 54,684             | \$ 26,601        | \$ 17,000        | \$ 8,221        | —                  | \$ 239                  | \$ 732,460        |
| Other assets  | 1,408                            | 851               | 11,170                   | 3,309                          | 76,897                  | 24,830                            | 7,177                 | 654              | —                | 909             | \$ 10,500          | 2,638                   | 140,343           |
| Total assets  | <u>\$ 12,812</u>                 | <u>\$ 12,992</u>  | <u>\$ 80,473</u>         | <u>\$ 15,771</u>               | <u>\$ 557,764</u>       | <u>\$ 64,368</u>                  | <u>\$ 61,861</u>      | <u>\$ 27,255</u> | <u>\$ 17,000</u> | <u>\$ 9,130</u> | <u>\$ 10,500</u>   | <u>\$ 2,877</u>         | <u>\$ 872,803</u> |
| Liabilities and partners'/members' capital (deficit):       |                                  |                   |                          |                                |                         |                                   |                       |                  |                  |                 |                    |                         |                   |
| Mortgages, loans payable and other obligations              | —                                | \$ 14,936         | \$ 77,217                | \$ 8,673                       | \$ 358,063              | \$ 47,761                         | \$ 39,435             | \$ 15,350        | —                | \$ 10,253       | —                  | —                       | \$ 571,688        |
| Other liabilities   | \$ 532                           | 259               | 4,944                    | 8                              | 39,497                  | 5,972                             | 846                   | —                | —                | —               | —                  | \$ 1,329                | 53,387            |
| Partners'/members' capital (deficit):                       | <u>12,280</u>                    | <u>(2,203)</u>    | <u>(1,688)</u>           | <u>7,090</u>                   | <u>160,204</u>          | <u>10,635</u>                     | <u>21,580</u>         | <u>11,905</u>    | <u>\$ 17,000</u> | <u>(1,123)</u>  | <u>\$ 10,500</u>   | <u>1,548</u>            | <u>247,728</u>    |
| Total liabilities and partners'/members' capital (deficit): | <u>\$ 12,812</u>                 | <u>\$ 12,992</u>  | <u>\$ 80,473</u>         | <u>\$ 15,771</u>               | <u>\$ 557,764</u>       | <u>\$ 64,368</u>                  | <u>\$ 61,861</u>      | <u>\$ 27,255</u> | <u>\$ 17,000</u> | <u>\$ 9,130</u> | <u>\$ 10,500</u>   | <u>\$ 2,877</u>         | <u>\$ 872,803</u> |
| Company's investment in unconsolidated joint ventures       | <u>\$ 6,060</u>                  | <u>—</u>          | <u>—</u>                 | <u>\$ 3,647</u>                | <u>\$ 119,061</u>       | <u>\$ 2,560</u>                   | <u>\$ 6,669</u>       | <u>\$ 1,024</u>  | <u>\$ 8,500</u>  | <u>\$ 7,130</u> | <u>\$ 5,250</u>    | <u>\$ 400</u>           | <u>\$ 160,301</u> |

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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 June 30, 2007 and 2006 (*dollars in thousands*):

|   | Three Months Ended June 30, 2007 |                 |                                  |                   |                          |                                |                         |                                   |                       |                 |                 |                |                    |                         |                   |
|---|----------------------------------|-----------------|----------------------------------|-------------------|--------------------------|--------------------------------|-------------------------|-----------------------------------|-----------------------|-----------------|-----------------|----------------|--------------------|-------------------------|-------------------|
|   | Meadowlands<br>Xanadu            | G&G<br>Martco   | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball | 55<br>Corporate | 12<br>Vreeland | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Total revenues  | —                                | —               | \$ 215                           | \$ 518            | \$ 11,366                | —                              | \$ 17,251               | \$ 2,386                          | 738                   | \$ 2            | —               | \$ 524         | \$ 205             | \$ 8,708                | \$ 41,913         |
| Operating and other expenses                                  | —                                | —               | (44)                             | (389)             | (6,943)                  | —                              | (7,716)                 | (1,516)                           | (977)                 | (31)            | —               | (14)           | (400)              | (8,647)                 | (26,677)          |
| Depreciation and amortization                                 | —                                | —               | (154)                            | (175)             | (1,488)                  | —                              | (7,429)                 | (786)                             | (467)                 | (183)           | —               | (88)           | —                  | —                       | (10,770)          |
| Interest expenses   | —                                | —               | —                                | (265)             | (1,199)                  | —                              | (6,805)                 | (1,192)                           | (846)                 | (321)           | —               | (169)          | —                  | —                       | (10,797)          |
| Net income  | —                                | —               | <u>\$ 17</u>                     | <u>\$ (311)</u>   | <u>\$ 1,736</u>          | —                              | <u>\$ (4,699)</u>       | <u>\$ (1,108)</u>                 | <u>\$ (1,552)</u>     | <u>\$ (533)</u> | —               | <u>\$ 253</u>  | <u>\$ (195)</u>    | <u>\$ 61</u>            | <u>\$ (6,331)</u> |
| Company's equity in earnings of unconsolidated joint ventures | —                                | —               | \$ 8                             | \$ (175)          | \$ 762                   | —                              | \$ (1,604)              | \$ (270)                          | \$ (466)              | \$ (44)         | —               | \$ 127         | \$ (58)            | \$ 24                   | \$ (1,696)        |
|   | Three Months Ended June 30, 2006 |                 |                                  |                   |                          |                                |                         |                                   |                       |                 |                 |                |                    |                         |                   |
|   | Meadowlands<br>Xanadu            | G&G<br>Martco   | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball | 55<br>Corporate | 12<br>Vreeland | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Total revenues  | \$ 158                           | \$ 1,778        | \$ 196                           | \$ 502            | \$ 9,774                 | —                              | \$ 9,468                | \$ 4,391                          | \$ 558                | —               | —               | —              | —                  | —                       | \$ 26,825         |
| Operating and other expenses                                  | (83)                             | (978)           | (46)                             | (364)             | (5,752)                  | —                              | (3,776)                 | (2,716)                           | (257)                 | —               | —               | —              | —                  | —                       | (13,972)          |
| Depreciation and amortization                                 | —                                | (357)           | (154)                            | (187)             | (1,460)                  | —                              | (3,378)                 | (1,421)                           | (94)                  | —               | —               | —              | —                  | —                       | (7,051)           |
| Interest expenses   | —                                | (792)           | —                                | (253)             | (906)                    | —                              | (3,591)                 | (1,383)                           | (263)                 | —               | —               | —              | —                  | —                       | (7,188)           |
| Net income  | <u>\$ 75</u>                     | <u>\$ (349)</u> | <u>\$ (4)</u>                    | <u>\$ (302)</u>   | <u>\$ 1,656</u>          | —                              | <u>\$ (1,277)</u>       | <u>\$ (1,129)</u>                 | <u>\$ (56)</u>        | —               | —               | —              | —                  | —                       | <u>\$ (1,386)</u> |
| Company's equity in earnings of unconsolidated joint ventures | —                                | \$ (331)        | \$ (2)                           | —                 | \$ 828                   | —                              | \$ (1,260)              | \$ (67)                           | \$ (14)               | —               | —               | —              | —                  | —                       | \$ (846)          |

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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 six months ended June 30, 2007 and 2006 (*dollars in thousands*):

| Six Months Ended June 30, 2007                                |                       |               |                                  |                   |                          |                                |                         |                                   |                       |                 |                 |                |                    |                         |                   |
|---|-----------------------|---------------|----------------------------------|-------------------|--------------------------|--------------------------------|-------------------------|-----------------------------------|-----------------------|-----------------|-----------------|----------------|--------------------|-------------------------|-------------------|
|   | Meadowlands<br>Xanadu | G&G<br>Martco | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball | 55<br>Corporate | 12<br>Vreeland | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Total revenues  | —                     | —             | \$ 474                           | \$ 1,045          | \$ 20,304                | —                              | \$ 33,692               | \$ 5,252                          | \$ 1,063              | \$ 2            | —               | \$ 1,048       | \$ 531             | \$ 17,698               | \$ 81,109         |
| Operating and other expenses                                  | —                     | —             | (83)                             | (763)             | (12,506)                 | —                              | (15,158)                | (2,990)                           | (1,864)               | (40)            | —               | (33)           | (661)              | (17,565)                | (51,663)          |
| Depreciation and amortization                                 | —                     | —             | (308)                            | (351)             | (2,966)                  | —                              | (14,164)                | (1,536)                           | (2,027)               | (183)           | —               | (176)          | —                  | —                       | (21,711)          |
| Interest expenses   | —                     | —             | —                                | (529)             | (2,402)                  | —                              | (13,429)                | (2,290)                           | (1,643)               | (414)           | —               | (344)          | —                  | —                       | (21,051)          |
| Net income  | —                     | —             | \$ 83                            | \$ (598)          | \$ 2,430                 | —                              | \$ (9,059)              | \$ (1,564)                        | \$ (4,471)            | \$ (635)        | —               | \$ 495         | \$ (130)           | \$ 133                  | \$ (13,316)       |
| Company's equity in earnings of unconsolidated joint ventures | —                     | —             | \$ 41                            | \$ (175)          | \$ 1,109                 | —                              | \$ (3,339)              | \$ (402)                          | \$ (1,370)            | \$ (52)         | —               | \$ 247         | \$ (39)            | \$ 53                   | \$ (3,927)        |

  

| Six Months Ended June 30, 2006                                |                       |               |                                  |                   |                          |                                |                         |                                   |                       |                 |                 |                |                    |                         |                   |
|---|-----------------------|---------------|----------------------------------|-------------------|--------------------------|--------------------------------|-------------------------|-----------------------------------|-----------------------|-----------------|-----------------|----------------|--------------------|-------------------------|-------------------|
|   | Meadowlands<br>Xanadu | G&G<br>Martco | Plaza<br>VIII & IX<br>Associates | Ramland<br>Realty | Harborside<br>South Pier | Red Bank<br>Corporate<br>Plaza | Mack-<br>Green-<br>Gale | Princeton<br>Forrestal<br>Village | Route 93<br>Portfolio | Gale<br>Kimball | 55<br>Corporate | 12<br>Vreeland | Boston-<br>Filenes | NKFGMS<br>Owners<br>LLC | Combined<br>Total |
| Total revenues  | \$ 299                | \$ 3,647      | \$ 322                           | \$ 1,015          | \$ 17,603                | —                              | \$ 9,468                | \$ 4,391                          | \$ 558                | —               | —               | —              | —                  | —                       | \$ 37,303         |
| Operating and other expenses                                  | (151)                 | (1,880)       | (88)                             | (704)             | (10,636)                 | —                              | (3,776)                 | (2,716)                           | (257)                 | —               | —               | —              | —                  | —                       | (20,208)          |
| Depreciation and amortization                                 | —                     | (712)         | (308)                            | (376)             | (2,909)                  | —                              | (3,378)                 | (1,421)                           | (94)                  | —               | —               | —              | —                  | —                       | (9,198)           |
| Interest expenses   | —                     | (1,517)       | —                                | (489)             | (1,857)                  | —                              | (3,591)                 | (1,383)                           | (263)                 | —               | —               | —              | —                  | —                       | (9,100)           |
| Net income  | \$ 148                | \$ (462)      | \$ (74)                          | \$ (554)          | \$ 2,201                 | —                              | \$ (1,277)              | \$ (1,129)                        | \$ (56)               | —               | —               | —              | —                  | —                       | \$ (1,203)        |
| Company's equity in earnings of unconsolidated joint ventures | —                     | \$ (322)      | \$ (37)                          | —                 | \$ 1,101                 | —                              | \$ (1,260)              | \$ (67)                           | \$ (14)               | —               | —               | —              | —                  | —                       | \$ (599)          |

### Select Financial Ratios

#### Ratios Computed For Industry Comparisons:

#### Financial Position Ratios:

|  | June 30, |        |
|--|----------|--------|
|  | 2007     | 2006   |
| Total Debt/ Total Book Capitalization<br>(Book value) (%)  | 45.10%   | 51.22% |
| Total Debt/ Total Market Capitalization (Market value) (%) | 36.38%   | 39.60% |
| Total Debt/ Total Undepreciated Assets (%)                 | 38.20%   | 43.83% |
| Secured Debt/ Total Undepreciated Assets (%)               | 5.55%    | 6.91%  |

|  | Three Months Ended<br>June 30, |        | Six Months Ended<br>June 30, |        |
|--|--------------------------------|--------|------------------------------|--------|
|  | 2007                           | 2006   | 2007                         | 2006   |
| <b>Operational Ratios:</b>   |                                |        |                              |        |
| Interest Coverage<br>(Funds from Operations + Interest Expense)/Interest Expense (x)   | 3.34                           | 3.23   | 3.30                         | 3.39   |
| Debt Service Coverage<br>(Funds from Operations + Interest Expense)/(Interest Expense + Principal Amort.) (x)  | 3.09                           | 3.02   | 3.01                         | 3.02   |
| Fixed Charge Coverage<br>(Funds from Operations + Interest Expense)/(Interest Expense + Capitalized Interest + Pref. Div. + Prin. Amort. + Ground Lease Payments)(x) | 2.94                           | 2.71   | 2.85                         | 2.85   |
| FFO Payout<br>(Dividends Declared/Funds from Operations) (%)   | 72.69%                         | 66.09% | 73.41%                       | 62.81% |

### Debt Analysis (as of June 30, 2007)

#### Debt Breakdown (dollars in thousands)

|   | Balance      | % of Total | Weighted Average<br>Interest Rate | Weighted Average Maturity<br>in Years |
|---|--------------|------------|-----------------------------------|---------------------------------------|
| Fixed Rate Unsecured Notes                    | \$ 1,665,629 | 79.94%     | 6.29%                             | 4.80                                  |
| Fixed Rate Secured Debt and Other Obligations | 302,919      | 14.54%     | 5.36%                             | 4.52                                  |
| Variable Rate Unsecured Debt                  | 115,000      | 5.52%      | 5.87%                             | 3.98                                  |

|                                 |                     |                |              |             |
|---------------------------------|---------------------|----------------|--------------|-------------|
| <b>Totals/Weighted Average:</b> | <b>\$ 2,083,548</b> | <b>100.00%</b> | <b>6.13%</b> | <b>4.71</b> |
|---------------------------------|---------------------|----------------|--------------|-------------|

**Future Repayments**  
(dollars in thousands)

| Period   | Scheduled Amortization | Principal Maturities | Total               | Weighted Average Interest Rate of Future Repayments (a) |
|--|------------------------|----------------------|---------------------|---|
| July 1 – December 31, 2007   | \$ 11,582              | —                    | \$ 11,582           | 5.01 %  |
| 2008   | 18,098                 | \$ 12,563            | 30,661              | 5.25 %  |
| 2009   | 11,258                 | 300,000              | 311,258             | 7.40 %  |
| 2010   | 2,793                  | 334,500              | 337,293             | 5.26 %  |
| 2011   | 3,143                  | 415,000              | 418,143             | 7.35 %  |
| Thereafter   | 9,449                  | 970,766              | 980,215             | 5.57 %  |
| Sub-total  | 56,323                 | 2,032,829            | 2,089,152           | 6.13 %  |
| Adjustment for unamortized debt discount/premium, net, as of June 30, 2007 | (5,604)                | —                    | (5,604)             | —   |
| <b>Totals/Weighted Average:</b>  | <b>\$ 50,719</b>       | <b>\$ 2,032,829</b>  | <b>\$ 2,083,548</b> | <b>6.13 %</b>   |

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**Debt Maturities**  
(dollars in thousands)

|                                  | July 1 – December 31, 2007 | 2008             | 2009              | 2010              | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2018             | TOTALS              |
|----------------------------------|----------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|---------------------|
| <b>Secured Debt:</b>             |                            |                  |                   |                   |                   |                   |                   |                   |                   |                   |                  |                     |
| 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                     |                            |                  |                   |                   |                   |                   |                   | 18,185            |                   |                   |                  | 18,185              |
| 395 West Passaic                 |                            |                  |                   |                   |                   |                   |                   | 9,636             |                   |                   |                  | 9,636               |
| 23 Main Street                   |                            |                  |                   |                   |                   |                   |                   |                   |                   |                   | \$ 26,566        | 26,566              |
| <b>Total Secured Debt:</b>       | <b>—</b>                   | <b>\$ 12,563</b> | <b>—</b>          | <b>\$ 169,500</b> | <b>—</b>          | <b>\$ 15,234</b>  | <b>\$ 19,118</b>  | <b>\$ 38,829</b>  | <b>—</b>          | <b>—</b>          | <b>\$ 26,566</b> | <b>\$ 281,810</b>   |
| <b>Unsecured Debt:</b>           |                            |                  |                   |                   |                   |                   |                   |                   |                   |                   |                  |                     |
| Unsecured credit facility        |                            |                  |                   |                   | \$ 115,000        |                   |                   |                   |                   |                   |                  | \$ 115,000          |
| 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             |
| 5.800% unsecured notes due 1/16  |                            |                  |                   |                   |                   |                   |                   |                   |                   | \$ 200,000        |                  | 200,000             |
| <b>Total Unsecured Debt:</b>     | <b>—</b>                   | <b>—</b>         | <b>\$ 300,000</b> | <b>\$ 165,000</b> | <b>\$ 415,000</b> | <b>\$ 194,914</b> | <b>\$ 126,105</b> | <b>\$ 200,000</b> | <b>\$ 150,000</b> | <b>\$ 200,000</b> | <b>—</b>         | <b>\$ 1,751,019</b> |
| <b>Total Debt:</b>               | <b>—</b>                   | <b>\$ 12,563</b> | <b>\$ 300,000</b> | <b>\$ 334,500</b> | <b>\$ 415,000</b> | <b>\$ 210,148</b> | <b>\$ 145,223</b> | <b>\$ 238,829</b> | <b>\$ 150,000</b> | <b>\$ 200,000</b> | <b>\$ 26,566</b> | <b>\$ 2,032,829</b> |

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**Debt Detail**  
(dollars in thousands)

| Property Name                        | Lender      | Effective Interest Rate | Principal Balance at June 30, 2007 | Principal Balance at December 31, 2006 | Date of Maturity |
|--------------------------------------|-------------|-------------------------|------------------------------------|--|------------------|
| <b>Senior Unsecured Notes: (a)</b>   |             |                         |                                    |  |                  |
| 7.250%, \$300,000 Face Amount Notes  | public debt | 7.490%                  | \$ 299,599                         | \$ 299,481                             | 03/15/09         |
| 5.050%, \$150,000 Face Amount Notes  | public debt | 5.265%                  | 149,847                            | 149,819                                | 04/15/10         |
| 7.835%, \$15,000 Face Amount Notes   | public debt | 7.950%                  | 15,000                             | 15,000                                 | 12/15/10         |
| 7.750%, \$300,000 Face Amount Notes  | public debt | 7.930%                  | 299,381                            | 299,295                                | 02/15/11         |
| 5.250%, \$100,000 Face Amount Notes  | public debt | 5.457%                  | 99,112                             | 99,015                                 | 01/15/12         |
| 6.150%, \$94,914 Face Amount Notes   | public debt | 6.894%                  | 92,226                             | 91,981                                 | 12/15/12         |
| 5.820%, \$26,105 Face Amount Notes   | public debt | 6.448%                  | 25,475                             | 25,420                                 | 03/15/13         |
| 4.600%, \$100,000 Face Amount Notes  | public debt | 4.742%                  | 99,830                             | 99,815                                 | 06/15/13         |
| 5.125%, \$200,000 Face Amount Notes  | public debt | 5.110%                  | 201,588                            | 201,708                                | 02/15/14         |
| 5.125%, \$150,000 Face Amount Notes  | public debt | 5.297%                  | 149,302                            | 149,256                                | 01/15/15         |
| 5.800%, \$200,000 Face Amount Notes  | public debt | 5.806%                  | 200,654                            | 200,692                                | 01/15/16         |
| <b>Total Senior Unsecured Notes:</b> |             |                         | <b>\$ 1,632,014</b>                | <b>\$ 1,631,482</b>                    |                  |

**Revolving Credit Facilities:**

|   |            |                |                   |                   |         |
|---|------------|----------------|-------------------|-------------------|---------|
| Unsecured Facility (b)                    | 23 Lenders | Libor + 0.550% | \$ 115,000        | \$ 145,000        | 6/22/11 |
| <b>Total Revolving Credit Facilities:</b> |            |                | <b>\$ 115,000</b> | <b>\$ 145,000</b> |         |

**Property Mortgages: (c)**

|  |                                      |        |                     |                     |             |
|--|--------------------------------------|--------|---------------------|---------------------|-------------|
| Mack-Cali Airport  | Allstate Life Insurance Co.          | 7.050% | —                   | \$ 9,422            | (d)         |
| 6303 Ivy Lane  | State Farm Life Ins. Co.             | 5.567% | —                   | 6,020               | (e)         |
| 6404 Ivy Lane  | TIAA                                 | 5.582% | \$ 13,351           | 13,665              | 08/01/08    |
| Various (f)  | Prudential Insurance Co.             | 4.841% | 150,000             | 150,000             | 01/15/10    |
| 105 Challenger Road  | Archon Financial CMBS                | 6.235% | 18,858              | 18,748              | 06/06/10    |
| 2200 Renaissance Boulevard                                   | TIAA                                 | 5.888% | 17,633              | 17,819              | 12/01/12    |
| Soundview Plaza  | TIAA                                 | 6.015% | 17,797              | 18,013              | 01/01/13    |
| 9200 Edmonston Road  | Principal Commercial Funding, L.L.C. | 5.534% | 5,165               | 5,232               | 05/01/13    |
| 6305 Ivy Lane  | John Hancock Life Ins. Co.           | 5.525% | 7,193               | 7,285               | 01/01/14    |
| 395 West Passaic   | State Farm Life Ins. Co.             | 6.004% | 12,798              | 12,996              | 05/01/14    |
| 6301 Ivy Lane  | John Hancock Life Ins. Co.           | 5.520% | 6,739               | 6,821               | 07/01/14    |
| 35 Waterview   | Wachovia CMBS                        | 6.348% | 20,204              | 20,318              | 08/11/14    |
| 500 West Putnam Avenue (g)                                   | New York Life Ins. Co.               | 5.571% | —                   | 25,000              | 01/10/16    |
| 23 Main Street   | JP Morgan CMBS                       | 5.587% | 33,182              | 33,396              | 09/01/18    |
| Assumed Obligations  | n/a                                  | 4.907% | 33,614              | 38,742              | 05/01/09(h) |
| <b>Total Mortgages, Loans Payable and Other Obligations:</b> |                                      |        | <b>\$ 336,534</b>   | <b>\$ 383,477</b>   |             |
| <b>Total Debt:</b>   |                                      |        |                     |                     |             |
|  |                                      |        | <b>\$ 2,083,548</b> | <b>\$ 2,159,959</b> |             |

- (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) On February 5, 2007, the Company repaid this mortgage loan at par, using available cash.
- (e) On February 15, 2007, the Company repaid this mortgage loan at par, using available cash.
- (f) Mortgage is collateralized by seven properties.
- (g) On June 11, 2007, the Company assigned this loan with the sale of the property and the purchaser assumed this obligation.
- (h) The obligations mature at various times through May 2009.

**III. FINANCIAL INFORMATION****III. FINANCIAL INFORMATION**

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

|   | Three Months Ended<br>June 30, |            | Six Months Ended<br>June 30, |            |
|---|--------------------------------|------------|------------------------------|------------|
|   | 2007                           | 2006       | 2007                         | 2006       |
| <b>Revenues</b>   |                                |            |                              |            |
| Base rents  | \$ 142,482                     | \$ 133,333 | \$ 282,039                   | \$ 260,839 |
| Escalations and recoveries from tenants   | 25,766                         | 23,272     | 51,986                       | 44,243     |
| Construction services   | 23,469                         | 13,049     | 45,810                       | 13,049     |
| Real estate services  | 4,959                          | 7,734      | 7,700                        | 8,363      |
| Other income  | 3,854                          | 5,401      | 6,252                        | 8,184      |
| Total revenues  | 200,530                        | 182,789    | 393,787                      | 334,678    |
| <b>Expenses</b>   |                                |            |                              |            |
| Real estate taxes   | 23,852                         | 21,162     | 47,322                       | 41,932     |
| Utilities   | 15,329                         | 13,214     | 32,874                       | 27,670     |
| Operating services  | 27,348                         | 25,880     | 51,974                       | 46,036     |
| Direct construction costs   | 22,634                         | 12,579     | 43,545                       | 12,579     |
| General and administrative  | 12,870                         | 11,846     | 23,940                       | 20,621     |
| Depreciation and amortization   | 43,823                         | 39,476     | 85,274                       | 75,955     |
| Total expenses  | 145,856                        | 124,157    | 284,929                      | 224,793    |
| Operating income  | 54,674                         | 58,632     | 108,858                      | 109,885    |
| <b>Other (expense) income</b>   |                                |            |                              |            |
| Interest expense  | (31,333)                       | (33,034)   | (62,269)                     | (64,109)   |
| Interest and other investment income  | 1,571                          | 399        | 3,188                        | 1,845      |
| Equity in earnings (loss) of unconsolidated joint ventures                          | (1,696)                        | (846)      | (3,927)                      | (599)      |
| Minority interest in consolidated joint ventures                                    | 214                            | 30         | 441                          | 30         |
| Gain on sale of investment in marketable securities                                 | —                              | —          | —                            | 15,060     |
| Total other (expense) income  | (31,244)                       | (33,451)   | (62,567)                     | (47,773)   |
| Income from continuing operations before Minority interest in Operating Partnership | 23,430                         | 25,181     | 46,291                       | 62,112     |
| Minority interest in Operating Partnership  | (4,197)                        | (4,950)    | (8,418)                      | (11,790)   |
| Income from continuing operations   | 19,233                         | 20,231     | 37,873                       | 50,322     |

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Discontinued operations (net of minority interest):                                  |           |           |           |           |
| Income from discontinued operations  | 598       | 2,982     | 1,037     | 5,988     |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | 31,747    | 3,921     | 31,747    | 3,921     |
| Total discontinued operations, net   | 32,345    | 6,903     | 32,784    | 9,909     |
| Net income   | 51,578    | 27,134    | 70,657    | 60,231    |
| Preferred stock dividends  | (500)     | (500)     | (1,000)   | (1,000)   |
| Net income available to common shareholders  | \$ 51,078 | \$ 26,634 | \$ 69,657 | \$ 59,231 |
| <b>Basic earnings per common share:</b>  |           |           |           |           |
| Income from continuing operations  | \$ 0.28   | \$ 0.32   | \$ 0.55   | \$ 0.79   |
| Discontinued operations  | 0.47      | 0.11      | 0.49      | 0.16      |
| Net income available to common shareholders  | \$ 0.75   | \$ 0.43   | \$ 1.04   | \$ 0.95   |
| <b>Diluted earnings per common share:</b>  |           |           |           |           |
| Income from continuing operations  | \$ 0.28   | \$ 0.32   | \$ 0.55   | \$ 0.79   |
| Discontinued operations  | 0.47      | 0.11      | 0.49      | 0.16      |
| Net income available to common shareholders  | \$ 0.75   | \$ 0.43   | \$ 1.04   | \$ 0.95   |
| Dividends declared per common share  | \$ 0.64   | \$ 0.63   | \$ 1.28   | \$ 1.26   |
| Basic weighted average shares outstanding  | 67,799    | 62,182    | 66,753    | 62,085    |
| Diluted weighted average shares outstanding  | 83,193    | 78,067    | 82,220    | 77,359    |

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

|   | June 30,<br>2007    | December 31,<br>2006 |
|---|---------------------|----------------------|
| <b>Assets</b>   |                     |                      |
| Rental property   |                     |                      |
| Land and leasehold interests  | \$ 722,777          | \$ 659,169           |
| Buildings and improvements  | 3,736,777           | 3,549,699            |
| Tenant improvements   | 365,469             | 356,495              |
| Furniture, fixtures and equipment   | 8,496               | 8,224                |
|   | 4,833,519           | 4,573,587            |
| Less – accumulated depreciation and amortization  | (833,492)           | (796,793)            |
|   | 4,000,027           | 3,776,794            |
| Rental property held for sale, net  | 5,826               | —                    |
| Net investment in rental property   | 4,005,853           | 3,776,794            |
| Cash and cash equivalents   | 18,903              | 101,223              |
| Investments in unconsolidated joint ventures  | 181,059             | 160,301              |
| Unbilled rents receivable, net  | 106,215             | 100,847              |
| Deferred charges and other assets, net  | 261,965             | 240,637              |
| Restricted cash   | 16,795              | 15,448               |
| Accounts receivable, net of allowance for doubtful accounts of \$2,715 and \$1,260  | 29,432              | 27,639               |
| <b>Total assets</b>   | <b>\$ 4,620,222</b> | <b>\$ 4,422,889</b>  |
| <b>Liabilities and Stockholders' Equity</b>   |                     |                      |
| Senior unsecured notes  | \$ 1,632,014        | \$ 1,631,482         |
| Revolving credit facility   | 115,000             | 145,000              |
| Mortgages, loans payable and other obligations  | 336,534             | 383,477              |
| Dividends and distributions payable   | 53,689              | 50,591               |
| Accounts payable, accrued expenses and other liabilities  | 146,689             | 122,134              |
| Rents received in advance and security deposits   | 51,116              | 45,972               |
| Accrued interest payable  | 33,832              | 34,106               |
| Total liabilities   | 2,368,874           | 2,412,762            |
| Minority interests:   |                     |                      |
| Operating Partnership   | 475,226             | 480,103              |
| Consolidated joint ventures   | 1,555               | 2,117                |
| Total minority interests  | 476,781             | 482,220              |
| Commitments and contingencies   |                     |                      |
| <b>Stockholders' equity:</b>  |                     |                      |
| 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, 67,923,941 and 62,925,191 shares outstanding                     | 679                 | 629                  |
| Additional paid-in capital  | 1,971,901           | 1,708,053            |
| Dividends in excess of net earnings   | (223,013)           | (205,775)            |
| Total stockholders' equity  | 1,774,567           | 1,527,907            |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 4,620,222</b> | <b>\$ 4,422,889</b>  |

**Mack-Cali Realty Corporation and Subsidiaries**  
**Consolidated Statement of Changes in Stockholders' Equity**  
**For the six months ended June 30, 2007**  
*(in thousands) (unaudited)*

|   | Preferred Stock |                  | Common Stock  |               | Additional          | Dividends in           | Total                |
|---|-----------------|------------------|---------------|---------------|---------------------|------------------------|----------------------|
|   | Shares          | Amount           | Shares        | Par value     | Paid-In Capital     | Excess of Net Earnings | Stockholders' Equity |
| Balance at January 1, 2007  | 10              | \$ 25,000        | 62,925        | \$ 629        | \$ 1,708,053        | \$ (205,775)           | \$ 1,527,907         |
| Net income  | —               | —                | —             | —             | —                   | 70,657                 | 70,657               |
| Preferred stock dividends   | —               | —                | —             | —             | —                   | (1,000)                | (1,000)              |
| Common stock dividends  | —               | —                | —             | —             | —                   | (86,895)               | (86,895)             |
| Common Stock Offering   | —               | —                | 4,650         | 47            | 251,685             | —                      | 251,732              |
| Redemption of common units for common stock                       | —               | —                | 207           | 2             | 6,440               | —                      | 6,442                |
| Shares issued under Dividend Reinvestment and Stock Purchase Plan | —               | —                | 3             | —             | 146                 | —                      | 146                  |
| Stock options exercised   | —               | —                | 126           | 1             | 3,613               | —                      | 3,614                |
| Stock options expense   | —               | —                | —             | —             | 66                  | —                      | 66                   |
| Directors Deferred compensation plan                              | —               | —                | —             | —             | 159                 | —                      | 159                  |
| Issuance of restricted stock                                      | —               | —                | 13            | —             | —                   | —                      | —                    |
| Amortization of stock compensation                                | —               | —                | —             | —             | 1,739               | —                      | 1,739                |
| <b>Balance at June 30, 2007</b>                                   | <b>10</b>       | <b>\$ 25,000</b> | <b>67,924</b> | <b>\$ 679</b> | <b>\$ 1,971,901</b> | <b>\$ (223,013)</b>    | <b>\$ 1,774,567</b>  |

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

|  | Three Months Ended<br>June 30, |                  | Six Months Ended<br>June 30, |                   |
|--|--------------------------------|------------------|------------------------------|-------------------|
|  | 2007                           | 2006             | 2007                         | 2006              |
| Net income available to common shareholders  | \$ 51,078                      | \$ 26,634        | \$ 69,657                    | \$ 59,231         |
| Add: Minority interest in Operating Partnership  | 4,197                          | 4,950            | 8,418                        | 11,790            |
| Minority interest in discontinued operations   | 7,247                          | 1,732            | 7,349                        | 2,427             |
| Real estate-related depreciation and amortization on continuing operations (a)   | 49,569                         | 42,852           | 96,375                       | 80,323            |
| Real estate-related depreciation and amortization on discontinued operations   | 18                             | 3,156            | 424                          | 6,319             |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (38,860)                       | (4,905)          | (38,860)                     | (4,905)           |
| <b>Funds from operations available to common shareholders (b)</b>  | <b>\$ 73,249</b>               | <b>\$ 74,419</b> | <b>\$ 143,363</b>            | <b>\$ 155,185</b> |
| Diluted weighted average shares/units outstanding (c)  | 83,193                         | 78,067           | 82,220                       | 77,359            |
| Funds from operations per share/unit – diluted   | \$ 0.88                        | \$ 0.95          | \$ 1.74                      | \$ 2.00           |
| Dividend declared per common share   | \$ 0.64                        | \$ 0.63          | \$ 1.28                      | \$ 1.26           |
| <b>Dividend payout ratios:</b>   |                                |                  |                              |                   |
| Funds from operations-diluted  | 72.69%                         | 66.09%           | 73.41%                       | 62.81%            |
| <b>Supplemental Information:</b>   |                                |                  |                              |                   |
| Non-incremental revenue generating capital expenditures:   |                                |                  |                              |                   |
| Building improvements  | \$ 2,648                       | \$ 2,436         | \$ 5,137                     | \$ 4,391          |
| Tenant improvements and leasing commissions  | \$ 10,049                      | \$ 18,706        | \$ 21,822                    | \$ 30,676         |
| Straight-line rent adjustments (d)   | \$ 2,531                       | \$ 6,208         | \$ 7,240                     | \$ 12,601         |
| Amortization of (above)/below market lease intangibles, net (e)  | \$ 1,024                       | \$ 361           | \$ 1,591                     | \$ 1,025          |

- (a) Includes the Company's share from unconsolidated joint ventures of \$5,905 and \$3,518 for the three months ended June 30, 2007 and 2006, respectively and \$11,415 and \$4,657 for the six months ended June 30, 2007 and 2006, 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 11.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (15,191 shares and 15,599 shares for the three months ended June 30, 2007 and 2006, respectively and 15,238 shares and 14,968 shares for the six months ended June 30, 2007 and 2006, respectively), plus dilutive Common Stock Equivalents (i.e. stock options). See reconciliation of basic to diluted shares/units on page 28.
- (d) Includes the Company's share from unconsolidated joint ventures of \$649 and \$932 for the three months ended June 30, 2007 and 2006, respectively and \$1,446 and \$1,141 for the six months ended June 30, 2007 and 2006, respectively.
- (e) Includes the Company's share from unconsolidated joint ventures of \$399 and \$0 for three months ended June 30, 2007 and 2006, respectively and \$671 and \$0 for the six months ended June 30, 2007 and 2006, respectively.

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

|  | Three Months Ended<br>June 30, |                | Six Months Ended<br>June 30, |                |
|--|--------------------------------|----------------|------------------------------|----------------|
|  | 2007                           | 2006           | 2007                         | 2006           |
| Net income available to common shareholders  | \$ 0.75                        | \$ 0.43        | \$ 1.04                      | \$ 0.95        |
| Add: Real estate-related depreciation and amortization on continuing operations (a)                                    | 0.60                           | 0.55           | 1.17                         | 1.04           |
| Real estate-related depreciation and amortization on discontinued operations   | —                              | 0.04           | 0.01                         | 0.08           |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (0.47)                         | (0.06)         | (0.47)                       | (0.06)         |
| Minority interest / rounding adjustment  | —                              | (0.01)         | (0.01)                       | (0.01)         |
| <b>Funds from operations available to common shareholders (b)</b>  | <b>\$ 0.88</b>                 | <b>\$ 0.95</b> | <b>\$ 1.74</b>               | <b>\$ 2.00</b> |
| Diluted weighted average shares/units outstanding (c)  | 83,193                         | 78,067         | 82,220                       | 77,359         |

- (a) Includes the Company's share from unconsolidated joint ventures of \$0.07 and \$0.05 for the three months ended June 30, 2007 and 2006, respectively and \$0.14 and \$0.06 for the six months ended June 30, 2007 and 2006, 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 11.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (15,191 shares and 15,599 shares for the three months ended June 30, 2007 and 2006, respectively and 15,238 shares and 14,968 shares for the six months ended June 30, 2007 and 2006, respectively), plus dilutive Common Stock Equivalents (i.e. stock options). See reconciliation of basic to diluted shares/units on page 28.

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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<br>June 30, |               | Six Months Ended<br>June 30, |               |
|---|--------------------------------|---------------|------------------------------|---------------|
|   | 2007                           | 2006          | 2007                         | 2006          |
| Basic weighted average shares outstanding:                | 67,799                         | 62,182        | 66,753                       | 62,085        |
| Add: Weighted average common units                        | 15,191                         | 15,599        | 15,239                       | 14,968        |
| Basic weighted average shares/units:                      | 82,990                         | 77,781        | 81,992                       | 77,053        |
| Add: Stock options  | 203                            | 286           | 228                          | 306           |
| <b>Diluted weighted average shares/units outstanding:</b> | <b>83,193</b>                  | <b>78,067</b> | <b>82,220</b>                | <b>77,359</b> |

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**IV. VALUE CREATION PIPELINE**

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**IV. VALUE CREATION PIPELINE**

**Operating Property Acquisitions**  
(dollars in thousands)

For the six months ended June 30, 2007

| Acquisition Date                    | Property/Address         | Location                             | # of Bldgs. | Rentable Square Feet | Investment by Company |
|-------------------------------------|--------------------------|--------------------------------------|-------------|----------------------|-----------------------|
| <b>Office:</b>                      |                          |                                      |             |                      |                       |
| 05/08/07                            | AAA Properties (a)       | Hamilton Township, Mercer County, NJ | 2           | 69,232               | \$ 9,048              |
| 06/11/06                            | 125 Broad Street (b) (c) | New York, New York County, NY        | 1           | 524,476              | 274,091               |
| <b>Total Property Acquisitions:</b> |                          |                                      | <b>3</b>    | <b>593,708</b>       | <b>\$ 283,139</b>     |

- (a) Included in this transaction was the acquisition of two parcels of developable land aggregating approximately 13 acres.
- (b) Acquisition represented two units of office condominium interests, which collectively comprise floors 2 through 16, or 39.6 percent, of the 40-story, 1.2 million square-foot building.
- (c) Transaction was funded primarily through borrowing on the Company's revolving credit facility.



**For the year ended December 31, 2006**

| <b>Acquisition Date</b>             | <b>Property/Address</b>        | <b>Location</b>                       | <b># of Bldgs.</b> | <b>Rentable Square Feet</b> | <b>Investment by Company (a)</b> |
|-------------------------------------|--------------------------------|---------------------------------------|--------------------|-----------------------------|----------------------------------|
| <b>Office:</b>                      |                                |                                       |                    |                             |                                  |
| 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                     | 33,586                           |
| 05/09/06                            | 105 Challenger Road (c) (e)    | Ridgefield Park, Bergen County, NJ    | 1                  | 150,050                     | 34,960                           |
| 05/09/06                            | 343 Thornall Street (c) (f)    | Edison, Middlesex County, NJ          | 1                  | 195,709                     | 46,193                           |
| 07/31/06                            | 395 W. Passaic Street (g)      | Rochelle Park, Bergen County, NJ      | 1                  | 100,589                     | 22,219                           |
| <b>Total Property Acquisitions:</b> |                                |                                       | <b>11</b>          | <b>1,461,104</b>            | <b>\$ 302,969</b>                |

(a) Amounts are as of June 30, 2007.

(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.

**Properties Commencing Initial Operations**

*(dollars in thousands)*

**For the six months ended June 30, 2007**

| <b>Date</b>  | <b>Property/Address</b> | <b>Location</b>                      | <b># of Bldgs.</b> | <b>Rentable Square Feet</b> | <b>Investment by Company (a) (b)</b> |
|--|-------------------------|--------------------------------------|--------------------|-----------------------------|--------------------------------------|
| <b>Office</b>  |                         |                                      |                    |                             |                                      |
| <b>Majority Owned:</b>                                 |                         |                                      |                    |                             |                                      |
| 05/08/07   | 700 Horizon Drive       | Hamilton Township, Mercer County, NJ | 1                  | 120,000                     | \$ 16,699                            |
| <b>Unconsolidated Joint Ventures:</b>                  |                         |                                      |                    |                             |                                      |
| 03/01/07   | 100 Kimball Drive       | Parsippany, Morris County, NJ        | 1                  | 175,000                     | 987                                  |
| <b>Total Properties Commencing Initial Operations:</b> |                         |                                      | <b>2</b>           | <b>295,000</b>              | <b>\$ 17,686</b>                     |

(a) Development costs were funded primarily through draws on the Company's revolving credit facility.

(b) Amounts are as of June 30, 2007.

**Acquisition Property Profile**

|                           |  |
|---------------------------|--|
| <b>Property Name:</b>     | AAA Properties   |
| <b>Product Type:</b>      | Office Buildings   |
| <b>Location:</b>          | Hamilton Township, New Jersey  |
| <b>Description:</b>       | One, two-story office building and a one-story office building                 |
| <b>Size:</b>              | 69,232 square feet   |
| <b>Year Constructed:</b>  | 3 AAA Drive: 1981<br>2 South Gold Drive: 1974                                  |
| <b>Closing Date:</b>      | May 8, 2007  |
| <b>Acquisition Cost:</b>  | \$9.0 million (includes purchase of 13 acres of developable land)              |
| <b>Funding Source:</b>    | Funded primarily through borrowing on the Company's revolving credit facility. |
| <b>Percentage Leased:</b> | 49.5%  |

**Number of Tenants:** 3

**Significant Tenants:** Kleinfelder, Inc. (15,736 square feet)  
AAA Mid-Atlantic, Inc. (9,784 square feet)  
Account Portfolio Management (8,732 square feet)

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**Property Name:** 125 Broad Street

**Product Type:** Office Building

**Location:** New York, New York

**Description:** Two units of commercial condominium interests comprised of floors 2 through 16, or 39.6 percent of the 40-story 1.2 million square-foot class A office building.

**Size:** 524,476 square feet

**Year Constructed:** 1970

**Closing Date:** June 11, 2007

**Acquisition Cost:** \$274.1 million

**Funding Source:** Funded primarily through borrowing on the Company's revolving credit facility.

**Percentage Leased:** 100.0%

**Number of Tenants:** 4

**Significant Tenants:** Citigroup Global Markets, Inc. (330,900 square feet)  
Oppenheimer & Co., Inc. (105,008 square feet)  
Ark Asset Management Co., Inc. (72,568 square feet)

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**Summary of Construction Projects**  
*(dollars in thousands)*

| Project                                      | Location       | Type of Space | Estimated Placed in Service Date | Number Of Buildings | Square Feet      | Costs Incurred Through 6/30/07 | Total Estimated Costs | Current % Leased |
|--|----------------|---------------|----------------------------------|---------------------|------------------|--------------------------------|-----------------------|------------------|
| <b><u>Majority Owned:</u></b>                |                |               |                                  |                     |                  |                                |                       |                  |
| Wyndham                                      | Parsippany, NJ | Office        | 2008-4Q                          | 1                   | 250,000          | \$ 1,484                       | \$ 64,837             | 100.0%           |
| Sub-total:                                   |                |               |                                  | 1                   | 250,000          | 1,484                          | 64,837                | 100.0%           |
| <b><u>Unconsolidated Joint Ventures:</u></b> |                |               |                                  |                     |                  |                                |                       |                  |
| Red Bank Corporate Plaza                     | Red Bank, NJ   | Office        | 2007-3Q                          | 1                   | 92,878           | 21,598                         | 27,050                | 100.0%           |
| Boston-Filenes                               | Boston, MA     | Mixed-Use     | n/a                              | 1                   | 1,200,000        | 99,258                         | 630,000               | n/a              |
| Sub-total:                                   |                |               |                                  | 2                   | 1,292,878        | 120,856                        | 657,050               | 7.2%             |
| <b>Grand Total:</b>                          |                |               |                                  | <b>3</b>            | <b>1,542,878</b> | <b>\$ 122,340</b>              | <b>\$ 721,887</b>     | <b>22.2 %</b>    |

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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 Township | NJ    | 5.3   | 68,000                          | Office/Flex/Retail |
| 3 & 5 AAA Drive (b)                      | Hamilton Township | NJ    | 17.5  | 112,000                         | Office             |
| 6 AAA Drive                              | Hamilton Township | NJ    | 2.4   | 32,000                          | Office             |
| 2 South Gold Drive (c)                   | Hamilton Township | NJ    | 9.5   | 75,000                          | Office             |
| Plaza VIII and IX Associates, L.L.C. (a) | Jersey City       | NJ    | 3.6   | 1,225,000                       | Office             |
| Harborside Financial Center (d)          | Jersey City       | NJ    | 6.5   | 3,113,500                       | Office             |

|                                      |                      |    |                     |                          |              |
|--------------------------------------|----------------------|----|---------------------|--------------------------|--------------|
| One Newark Center (a)                | Newark               | NJ | 1.0                 | 400,000                  | 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 (f)     | 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 (f) | 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 Corporate Center           | Media                | PA | 2.3                 | 15,200                   | Office       |
| Capital Office Park                  | Greenbelt            | MD | 43.0                | 600,000                  | Office       |
| Eastpoint II                         | Lanham               | MD | 4.8                 | 122,000                  | Office/Hotel |
| <b>Total:</b>                        |                      |    | <b><u>466.6</u></b> | <b><u>11,719,013</u></b> |              |

- (a) Land owned or controlled by joint venture in which Mack-Cali is an equity partner.
- (b) This land parcel also includes an existing office building totaling 35,270 square feet.
- (c) This land parcel also includes an existing office building totaling 33,962 square feet.
- (d) In addition, there are 21 acres of riparian property.
- (e) Hotel project can comprise up to 520 rooms.
- (f) Mack-Cali holds an option to purchase this land.

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**Rental Property Sales**  
(dollars in thousands)

**For the six months ended June 30, 2007**

| Sale Date                           | Property/Address       | Location                                 | # of Bldgs.     | Rentable Square Feet  | Net Sales Proceeds      | Net Book Value          | Realized Gain/(Loss)    |
|-------------------------------------|------------------------|--|-----------------|-----------------------|-------------------------|-------------------------|-------------------------|
| <b>Office:</b>                      |                        |  |                 |                       |                         |                         |                         |
| 05/10/07                            | 1000 Bridgeport Avenue | Shelton, Fairfield County, Connecticut   | 1               | 133,000               | \$ 16,411               | \$ 13,782               | \$ 2,629                |
| 06/11/07                            | 500 W. Putnam Avenue   | Greenwich, Fairfield County, Connecticut | 1               | 121,250               | 54,344                  | 18,113                  | 36,231                  |
| <b>Total Office Property Sales:</b> |                        |  | <b><u>2</u></b> | <b><u>254,250</u></b> | <b><u>\$ 70,755</u></b> | <b><u>\$ 31,895</u></b> | <b><u>\$ 38,860</u></b> |

**For the year ended December 31, 2006**

| Sale Date                           | Property/Address        | Location                                | # of Bldgs.      | Rentable Square Feet    | Net Sales Proceeds       | Net Book Value           | Realized Gain/(Loss)    |
|-------------------------------------|-------------------------|---|------------------|-------------------------|--------------------------|--------------------------|-------------------------|
| <b>Office:</b>                      |                         |   |                  |                         |                          |                          |                         |
| 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                   |
| 11/10/06                            | Colorado portfolio      | Various cities, Colorado                | 19               | 1,431,610               | 193,404                  | 165,072                  | 28,332                  |
| 12/21/06                            | California portfolio    | San Francisco, San Francisco County, CA | 2                | 450,891                 | 124,182                  | 97,814                   | 26,368                  |
| <b>Total Office Property Sales:</b> |                         |   | <b><u>23</u></b> | <b><u>2,089,228</u></b> | <b><u>\$ 336,497</u></b> | <b><u>\$ 276,892</u></b> | <b><u>\$ 59,605</u></b> |

**Rental Property Held For Sale**  
(dollars in thousands)

**At June 30, 2007**

| Property/Address               | Location                        | # of Bldgs.     | Rentable Square Feet | Net Book Value at 6/30/07 |
|--------------------------------|---------------------------------|-----------------|----------------------|---------------------------|
| <b>Office:</b>                 |                                 |                 |                      |                           |
| 100 Decadon Drive (a)          | Egg Harbor, Atlantic County, NJ | 1               | 40,422               | \$ 2,812                  |
| 200 Decadon Drive (a)          | Egg Harbor, Atlantic County, NJ | 1               | 39,922               | 3,014                     |
| <b>Total Office Properties</b> |                                 | <b><u>2</u></b> | <b><u>80,344</u></b> | <b><u>\$ 5,826</u></b>    |

- (a) These buildings were subsequently sold by the Company on July 13, 2007.

## V. PORTFOLIO/ LEASING STATISTICS

## V. PORTFOLIO/ LEASING STATISTICS

### Leasing Statistics

(For the three months ended June 30, 2007)

### Consolidated In-Service Portfolio

### SUMMARY OF SPACE LEASED

| Region/Market       | Sq. Ft.<br>Leased<br>3/31/07 | Leased<br>Sq. Ft.<br>Acquired/Sold (a) | LEASING ACTIVITY                       |                     |                            | Sq. Ft.<br>Leased<br>6/30/07 (c) | Pct.<br>Leased<br>6/30/07 | Pct.<br>Leased<br>3/31/07 |
|---------------------|------------------------------|--|--|---------------------|----------------------------|----------------------------------|---------------------------|---------------------------|
|                     |                              |  | Expiring/<br>Adjustment<br>Sq. Ft. (b) | Incoming<br>Sq. Ft. | Net<br>Leasing<br>Activity |                                  |                           |                           |
| Northern NJ         | 12,201,096                   | —                                      | (571,927)                              | 447,745             | (124,182)                  | 12,076,914                       | 91.4%                     | 92.3%                     |
| Central NJ          | 4,456,204                    | 145,520                                | (69,660)                               | 143,906             | 74,246                     | 4,675,970                        | 91.3%                     | 90.4%                     |
| Westchester Co., NY | 4,609,890                    | —                                      | (314,310)                              | 291,911             | (22,399)                   | 4,587,491                        | 95.8%                     | 96.3%                     |
| Manhattan           | —                            | 524,476                                | —                                      | —                   | —                          | 524,476                          | 100.0%                    | —                         |
| Sub. Philadelphia   | 3,263,994                    | —                                      | (160,304)                              | 152,136             | (8,168)                    | 3,255,826                        | 90.2%                     | 90.4%                     |
| Fairfield, CT       | 749,897                      | (238,875)                              | (11,526)                               | 3,335               | (8,191)                    | 502,831                          | 84.1%                     | 88.0%                     |
| Washington, DC/MD   | 1,157,735                    | —                                      | (37,047)                               | 31,522              | (5,525)                    | 1,152,210                        | 89.1%                     | 89.6%                     |
| Rockland Co., NY    | 180,000                      | —                                      | (4,929)                                | —                   | (4,929)                    | 175,071                          | 97.3%                     | 100.0%                    |
| <b>Totals</b>       | <b>26,618,816</b>            | <b>431,121</b>                         | <b>(1,169,703)</b>                     | <b>1,070,555</b>    | <b>(99,148)</b>            | <b>26,950,789</b>                | <b>91.9%</b>              | <b>92.2%</b>              |

### RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

|   |                   |
|---|-------------------|
| Total sq. ft. as of March 31, 2007            | 28,866,247        |
| Total sq. ft. of properties added this period | 713,708           |
| Total sq. ft. of properties sold this period  | (254,250)         |
| Total sq. ft. as of June 30, 2007             | <u>29,325,705</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 June 30, 2007 aggregating 174,122 square feet for which no new leases were signed.

### Leasing Statistics

(For the three months ended June 30, 2007)

### Consolidated In-Service Portfolio (continued)

### DETAIL OF TRANSACTION ACTIVITY

#### Detail by Region/Market

| Region/Market       | Property Type        | # of<br>Trans-<br>actions | Total<br>Sq. Ft. | Sq. Ft.<br>New<br>Leases | Sq. Ft.<br>Renewed And<br>Other<br>Retained (a) | Wtd.<br>Avg.<br>Term<br>(Yrs.) | Wtd.<br>Avg.<br>Base<br>Rent (b) | Leasing Costs<br>Per Sq. Ft.<br>Per Year (c) |
|---------------------|----------------------|---------------------------|------------------|--------------------------|---|--------------------------------|----------------------------------|--|
| Northern NJ         | Office               | 38                        | 447,745          | 95,973                   | 351,772   | 8.8                            | 30.16                            | 3.12   |
| Central NJ          | Office               | 13                        | 131,706          | 108,468                  | 23,238  | 8.6                            | 20.45                            | 3.92   |
|                     | Office/Flex          | 1                         | 12,200           | —                        | 12,200  | 5.0                            | 18.13                            | 0.20   |
| Westchester Co., NY | Office               | 29                        | 75,090           | 24,298                   | 50,792  | 3.2                            | 30.37                            | 2.64   |
|                     | Office/Flex          | 22                        | 208,545          | 82,705                   | 125,840   | 5.1                            | 15.89                            | 1.86   |
|                     | Industrial/Warehouse | 1                         | 8,276            | —                        | 8,276   | 5.0                            | 11.93                            | 0.20   |
| Sub. Philadelphia   | Office               | 12                        | 69,871           | 43,864                   | 26,007  | 5.7                            | 24.78                            | 3.72   |
|                     | Office/Flex          | 9                         | 82,265           | 22,970                   | 59,295  | 3.5                            | 9.98                             | 1.53   |
| Fairfield Co., CT   | Office               | 5                         | 3,335            | —                        | 3,335   | 3.3                            | 25.63                            | 2.54   |
| Washington, DC/MD   | Office               | 5                         | 31,522           | 2,673                    | 28,849  | 7.4                            | 32.97                            | 2.38   |
| <b>Totals</b>       |                      | <b>135</b>                | <b>1,070,555</b> | <b>380,951</b>           | <b>689,604</b>                                  | <b>6.9</b>                     | <b>24.09</b>                     | <b>2.91</b>                                  |

#### Detail by Property Type

|  |                      |     |         |         |         |     |       |      |
|--|----------------------|-----|---------|---------|---------|-----|-------|------|
|  | Office               | 102 | 759,269 | 275,276 | 483,993 | 7.8 | 28.11 | 3.23 |
|  | Office/Flex          | 32  | 303,010 | 105,675 | 197,335 | 4.6 | 14.38 | 1.72 |
|  | Industrial/Warehouse | 1   | 8,276   | —       | 8,276   | 5.0 | 11.93 | 0.20 |

|                          |                  |            |                  |                |                |            |              |             |
|--------------------------|------------------|------------|------------------|----------------|----------------|------------|--------------|-------------|
| <b>Company Totals</b>    |                  | <b>135</b> | <b>1,070,555</b> | <b>380,951</b> | <b>689,604</b> | <b>6.9</b> | <b>24.09</b> | <b>2.91</b> |
| <b>Tenant Retention:</b> | Leases Retained  | 59.2%      |                  |                |                |            |              |             |
|                          | Sq. Ft. Retained | 59.1%      |                  |                |                |            |              |             |

- (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 \$12,757,140 and commissions of \$7,989,659 committed, but not necessarily expended, during the period for second generation space aggregating 1,031,339 square feet.

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**Leasing Statistics**  
(For the three months ended June 30, 2007)

**Unconsolidated Joint Venture Properties**

**SUMMARY OF SPACE LEASED**

| State                  | Sq. Ft.<br>Leased<br>3/31/07 | Leased<br>Sq. Ft.<br>Acquired/<br>Sold | LEASING ACTIVITY                       |                     |                            | Sq. Ft.<br>Leased<br>6/30/07 (b) | Pct.<br>Leased<br>6/30/07 | Pct.<br>Leased<br>3/31/07 |
|------------------------|------------------------------|--|--|---------------------|----------------------------|----------------------------------|---------------------------|---------------------------|
|                        |                              |  | Expiring/<br>Adjustment<br>Sq. Ft. (a) | Incoming<br>Sq. Ft. | Net<br>Leasing<br>Activity |                                  |                           |                           |
| <b>Northeast</b>       |                              |  |  |                     |                            |                                  |                           |                           |
| Northern NJ            | 1,991,205                    | 160,028                                | (15,041)                               | 18,182              | 3,141                      | 2,154,374                        | 93.9%                     | 94.0%                     |
| Central NJ             | 1,025,808                    | —                                      | (16,779)                               | 25,801              | 9,022                      | 1,034,830                        | 86.0%                     | 85.3%                     |
| Rockland Co., NY       | 152,983                      | —                                      | —                                      | —                   | —                          | 152,983                          | 65.9%                     | 65.9%                     |
| Boston, MA             | 191,812                      | —                                      | —                                      | 23,414              | 23,414                     | 215,226                          | 32.3%                     | 28.8%                     |
| <b>Total Northeast</b> | <b>3,361,808</b>             | <b>160,028</b>                         | <b>(31,820)</b>                        | <b>67,397</b>       | <b>35,577</b>              | <b>3,557,413</b>                 | <b>80.9%</b>              | <b>79.7%</b>              |
| <b>Other</b>           |                              |  |  |                     |                            |                                  |                           |                           |
| Troy, MI               | 866,465                      | —                                      | (5,639)                                | —                   | (5,639)                    | 860,826                          | 71.2%                     | 71.7%                     |
| <b>Total Other</b>     | <b>866,465</b>               | <b>—</b>                               | <b>(5,639)</b>                         | <b>—</b>            | <b>(5,639)</b>             | <b>860,826</b>                   | <b>71.2%</b>              | <b>71.7%</b>              |
| <b>Company Totals</b>  | <b>4,228,273</b>             | <b>160,028</b>                         | <b>(37,459)</b>                        | <b>67,397</b>       | <b>29,938</b>              | <b>4,418,239</b>                 | <b>78.8%</b>              | <b>77.9%</b>              |

**RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE**

|   |                  |
|---|------------------|
| Total sq. ft. as of March 31, 2007            | 5,428,487        |
| Total sq. ft. of properties added this period | 175,000          |
| Total sq. ft. as of June 30, 2007             | <u>5,603,487</u> |

**DETAIL OF TRANSACTION ACTIVITY**

**Detail by Region/Market**

| Region/Market          | # of<br>Trans-<br>actions | Total<br>Sq. Ft. | Sq. Ft. New<br>Leases | Sq. Ft.<br>Renewed<br>And<br>Other<br>Retained (c) | Wtd. Avg.<br>Term<br>(Yrs.) | Wtd. Avg.<br>Base<br>Rent | Leasing<br>Costs Per<br>Sq. Ft. Per<br>Year (d) |
|------------------------|---------------------------|------------------|-----------------------|--|-----------------------------|---------------------------|---|
| <b>Northeast</b>       |                           |                  |                       |  |                             |                           |   |
| Northern NJ            | 4                         | 18,182           | —                     | 18,182   | 3.4                         | 30.46                     | 1.38  |
| Central NJ             | 9                         | 25,801           | 13,833                | 11,968   | 6.1                         | 23.73                     | 3.54  |
| Boston, MA             | 1                         | 23,414           | 23,414                | —  | 6.2                         | 15.67                     | 5.12  |
| <b>Total Northeast</b> | <b>14</b>                 | <b>67,397</b>    | <b>37,247</b>         | <b>30,150</b>                                      | <b>5.4</b>                  | <b>22.75</b>              | <b>3.86</b>                                     |
| <b>Other</b>           |                           |                  |                       |  |                             |                           |   |
| Troy, MI               | —                         | —                | —                     | —  | —                           | —                         | —   |
| <b>Total Other</b>     | <b>—</b>                  | <b>—</b>         | <b>—</b>              | <b>—</b>   | <b>—</b>                    | <b>—</b>                  | <b>—</b>  |
| <b>Company Totals</b>  | <b>14</b>                 | <b>67,397</b>    | <b>37,247</b>         | <b>30,150</b>                                      | <b>5.4</b>                  | <b>22.75</b>              | <b>3.86</b>                                     |

- (a) 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.
- (b) Includes leases expiring June 30, 2007 aggregating 6,910 square feet for which no new leases were signed.
- (c) "Other Retained" transactions include existing tenants' expansions and relocations within the same building.
- (d) Represents estimated workletter costs of \$724,666 and commissions of \$414,792 committed, but not necessarily expended, during the period for second generation space aggregating 58,167 square feet.

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**Leasing Statistics**  
(For the six months ended June 30, 2007)

**Consolidated In-Service Portfolio**

**SUMMARY OF SPACE LEASED**

| Region/Market       | Sq. Ft.<br>Leased<br>12/31/06 | Leased<br>Sq. Ft.<br>Acquired/Sold (a) | LEASING ACTIVITY                       |                     |                            | Sq. Ft.<br>Leased<br>6/30/07 (c) | Pct.<br>Leased<br>6/30/07 | Pct.<br>Leased<br>12/31/06 |
|---------------------|-------------------------------|--|--|---------------------|----------------------------|----------------------------------|---------------------------|----------------------------|
|                     |                               |  | Expiring/<br>Adjustment<br>Sq. Ft. (b) | Incoming<br>Sq. Ft. | Net<br>Leasing<br>Activity |                                  |                           |                            |
| Northern NJ         | 12,138,054                    | —                                      | (815,280)                              | 754,140             | (61,140)                   | 12,076,914                       | 91.4%                     | 91.9%                      |
| Central NJ          | 4,467,983                     | 145,520                                | (167,817)                              | 230,284             | 62,467                     | 4,675,970                        | 91.3%                     | 90.6%                      |
| Westchester Co., NY | 4,610,675                     | —                                      | (523,790)                              | 500,606             | (23,184)                   | 4,587,491                        | 95.8%                     | 96.3%                      |
| Manhattan           | —                             | 524,476                                | —                                      | —                   | —                          | 524,476                          | 100.0%                    | —                          |
| Sub. Philadelphia   | 3,252,336                     | —                                      | (444,099)                              | 447,589             | 3,490                      | 3,255,826                        | 90.2%                     | 90.1%                      |
| Fairfield, CT       | 763,575                       | (238,875)                              | (94,350)                               | 72,481              | (21,869)                   | 502,831                          | 84.1%                     | 89.6%                      |
| Washington, DC/MD   | 1,158,589                     | —                                      | (64,293)                               | 57,914              | (6,379)                    | 1,152,210                        | 89.1%                     | 89.6%                      |
| Rockland Co., NY    | 180,000                       | —                                      | (37,530)                               | 32,601              | (4,929)                    | 175,071                          | 97.3%                     | 100.0%                     |
| <b>Totals</b>       | <b>26,571,212</b>             | <b>431,121</b>                         | <b>(2,147,159)</b>                     | <b>2,095,615</b>    | <b>(51,544)</b>            | <b>26,950,789</b>                | <b>91.9%</b>              | <b>92.0%</b>               |

**RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE**

|   |            |
|---|------------|
| Total sq. ft. as of December 31, 2006         | 28,866,247 |
| Total sq. ft. of properties added this period | 713,708    |
| Total sq. ft. of properties sold this period  | (254,250)  |
| Total sq. ft. as of June 30, 2007             | 29,325,705 |

- (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 June 30, 2007 aggregating 174,122 square feet for which no new leases were signed.

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**Leasing Statistics**  
(For the six months ended June 30, 2007)  
**Consolidated In-Service Portfolio (continued)**

**DETAIL OF TRANSACTION ACTIVITY**

**Detail by Region/Market**

| Region/Market       | Property Type        | # of<br>Trans-<br>actions | Total<br>Sq. Ft. | Sq. Ft.<br>New<br>Leases | Sq. Ft.<br>Renewed And<br>Other<br>Retained (a) | Wtd.<br>Avg.<br>Term<br>(Yrs.) | Wtd.<br>Avg.<br>Base<br>Rent (b) | Leasing Costs<br>Per Sq. Ft.<br>Per Year (c) |
|---------------------|----------------------|---------------------------|------------------|--------------------------|---|--------------------------------|----------------------------------|--|
| Northern NJ         | Office               | 73                        | 708,131          | 197,713                  | 510,418   | 7.6                            | 29.43                            | 2.76   |
|                     | Office/Flex          | 4                         | 46,009           | 27,733                   | 18,276  | 5.2                            | 15.96                            | 2.10   |
| Central NJ          | Office               | 25                        | 200,138          | 115,201                  | 84,937  | 6.8                            | 21.99                            | 3.79   |
|                     | Office/Flex          | 3                         | 30,146           | 5,613                    | 24,533  | 3.8                            | 15.61                            | 1.05   |
| Westchester Co., NY | Office               | 42                        | 124,316          | 28,998                   | 95,318  | 4.2                            | 29.97                            | 2.94   |
|                     | Office/Flex          | 41                        | 358,964          | 113,982                  | 244,982   | 4.7                            | 17.22                            | 1.93   |
|                     | Industrial/Warehouse | 3                         | 17,326           | —                        | 17,326  | 5.1                            | 14.83                            | 0.62   |
| Sub. Philadelphia   | Office               | 22                        | 184,924          | 67,912                   | 117,012   | 5.0                            | 24.53                            | 3.45   |
|                     | Office/Flex          | 16                        | 262,665          | 52,370                   | 210,295   | 5.2                            | 10.17                            | 0.93   |
| Fairfield Co., CT   | Office               | 14                        | 72,481           | 16,482                   | 55,999  | 3.0                            | 24.82                            | 2.17   |
| Washington, DC/MD   | Office               | 10                        | 57,914           | 8,204                    | 49,710  | 5.9                            | 30.37                            | 2.01   |
| Rockland Co., NY    | Office               | 2                         | 32,601           | 31,092                   | 1,509   | 7.0                            | 23.93                            | 3.24   |
| <b>Totals</b>       |                      | <b>255</b>                | <b>2,095,615</b> | <b>665,300</b>           | <b>1,430,315</b>                                | <b>6.0</b>                     | <b>22.98</b>                     | <b>2.53</b>                                  |

**Detail by Property Type**

|                       |                      |            |                  |                |                  |            |              |             |
|-----------------------|----------------------|------------|------------------|----------------|------------------|------------|--------------|-------------|
|                       | Office               | 188        | 1,380,505        | 465,602        | 914,903          | 6.5        | 27.42        | 2.95        |
|                       | Office/Flex          | 64         | 697,784          | 199,698        | 498,086          | 4.9        | 14.41        | 1.51        |
|                       | Industrial/Warehouse | 3          | 17,326           | —              | 17,326           | 5.1        | 14.83        | 0.62        |
| <b>Company Totals</b> |                      | <b>255</b> | <b>2,095,615</b> | <b>665,300</b> | <b>1,430,315</b> | <b>6.0</b> | <b>22.98</b> | <b>2.53</b> |

|                          |                  |       |
|--------------------------|------------------|-------|
| <b>Tenant Retention:</b> | Leases Retained  | 59.7% |
|                          | Sq. Ft. Retained | 66.6% |

- (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 \$19,281,921 and commissions of \$11,534,931 committed, but not necessarily expended, during the period for second generation space aggregating 2,052,060 square feet.

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### Leasing Statistics

(For the six months ended June 30, 2007)

#### Unconsolidated Joint Venture Properties

#### SUMMARY OF SPACE LEASED

| State                  | Sq. Ft. Leased<br>12/31/06 | Leased<br>Sq. Ft.<br>Acquired/<br>Sold | LEASING ACTIVITY                       |                     |                            | Sq. Ft. Leased<br>6/30/07 (b) | Pct. Leased<br>6/30/07 | Pct. Leased<br>12/31/06 |
|------------------------|----------------------------|--|--|---------------------|----------------------------|-------------------------------|------------------------|-------------------------|
|                        |                            |  | Expiring/<br>Adjustment<br>Sq. Ft. (a) | Incoming<br>Sq. Ft. | Net<br>Leasing<br>Activity |                               |                        |                         |
| <b>Northeast</b>       |                            |  |  |                     |                            |                               |                        |                         |
| Northern NJ            | 1,969,302                  | 160,028                                | (21,264)                               | 46,308              | 25,044                     | 2,154,374                     | 93.9%                  | 93.0%                   |
| Central NJ             | 1,005,877                  | —                                      | (14,319)                               | 43,272              | 28,953                     | 1,034,830                     | 86.0%                  | 83.6%                   |
| Rockland Co., NY       | 152,983                    | —                                      | —                                      | —                   | —                          | 152,983                       | 65.9%                  | 65.9%                   |
| Boston, MA             | 344,312                    | —                                      | (152,500)                              | 23,414              | (129,086)                  | 215,226                       | 32.3%                  | 51.6%                   |
| <b>Total Northeast</b> | <b>3,472,474</b>           | <b>160,028</b>                         | <b>(188,083)</b>                       | <b>112,994</b>      | <b>(75,089)</b>            | <b>3,557,413</b>              | <b>80.9%</b>           | <b>82.3%</b>            |
| <b>Other</b>           |                            |  |  |                     |                            |                               |                        |                         |
| Troy, MI               | 859,181                    | —                                      | (9,049)                                | 10,694              | 1,645                      | 860,826                       | 71.2%                  | 71.1%                   |
| <b>Total Other</b>     | <b>859,181</b>             | <b>—</b>                               | <b>(9,049)</b>                         | <b>10,694</b>       | <b>1,645</b>               | <b>860,826</b>                | <b>71.2%</b>           | <b>71.1%</b>            |
| <b>Company Totals</b>  | <b>4,331,655</b>           | <b>160,028</b>                         | <b>(197,132)</b>                       | <b>123,688</b>      | <b>(73,444)</b>            | <b>4,418,239</b>              | <b>78.8%</b>           | <b>79.8%</b>            |

#### RECONCILIATION OF TOTAL PROPERTY SQUARE FOOTAGE

|   |                  |
|---|------------------|
| Total sq. ft. as of December 31, 2006         | 5,428,487        |
| Total sq. ft. of properties added this period | 175,000          |
| Total sq. ft. as of June 30, 2007             | <u>5,603,487</u> |

#### DETAIL OF TRANSACTION ACTIVITY

##### Detail by Region/Market

| Region/Market          | # of<br>Trans-<br>actions | Total<br>Sq. Ft. | Sq. Ft. New<br>Leases | Sq. Ft.<br>Renewed<br>And<br>Other<br>Retained (c) | Wtd. Avg.<br>Term<br>(Yrs.) | Wtd. Avg.<br>Base<br>Rent | Leasing<br>Costs Per<br>Sq. Ft. Per<br>Year (d) |
|------------------------|---------------------------|------------------|-----------------------|--|-----------------------------|---------------------------|---|
| <b>Northeast</b>       |                           |                  |                       |  |                             |                           |   |
| Northern NJ            | 8                         | 46,308           | 22,032                | 24,276   | 6.6                         | 27.37                     | 2.20  |
| Central NJ             | 13                        | 43,272           | 31,304                | 11,968   | 9.2                         | 22.57                     | 3.82  |
| Boston, MA             | 1                         | 23,414           | 23,414                | —  | 6.2                         | 15.67                     | 5.12  |
| <b>Total Northeast</b> | <b>22</b>                 | <b>112,994</b>   | <b>76,750</b>         | <b>36,244</b>                                      | <b>7.5</b>                  | <b>23.11</b>              | <b>3.93</b>                                     |
| <b>Other</b>           |                           |                  |                       |  |                             |                           |   |
| Troy, MI               | 4                         | 10,694           | —                     | 10,694   | 3.5                         | 19.19                     | 2.69  |
| <b>Total Other</b>     | <b>4</b>                  | <b>10,694</b>    | <b>—</b>              | <b>10,694</b>                                      | <b>3.5</b>                  | <b>19.19</b>              | <b>2.69</b>                                     |
| <b>Company Totals</b>  | <b>26</b>                 | <b>123,688</b>   | <b>76,750</b>         | <b>46,938</b>                                      | <b>7.2</b>                  | <b>22.77</b>              | <b>3.81</b>                                     |

(a) 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.

(b) Includes leases expiring June 30, 2007 aggregating 6,910 square feet for which no new leases were signed.

(c) “Other Retained” transactions include existing tenants’ expansions and relocations within the same building.

(d) Represents estimated workletter costs of \$940,406 and commissions of \$536,909 committed, but not necessarily expended, during the period for second generation space aggregating 81,926 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<br>Base Rental<br>Revenue<br>(\$ (a) (b) (c) | Percentage of<br>Company<br>Annualized Base<br>Rental Revenue (%) | Total<br>Property Size<br>Rentable<br>Area | Percentage of<br>Rentable Area<br>(%) |
|--|---|---|--|---------------------------------------|
| Newark, NJ (Essex-Morris-Union Counties) | 113,525,074   | 19.2  | 5,847,318                                  | 20.0                                  |
| Jersey City, NJ                          | 109,984,051   | 18.7  | 4,317,978                                  | 14.7                                  |
| Westchester-Rockland, NY                 | 93,570,894  | 15.9  | 4,968,420                                  | 16.9                                  |
| Bergen-Passaic, NJ                       | 92,878,484  | 15.8  | 4,602,401                                  | 15.7                                  |
| Philadelphia, PA-NJ                      | 54,932,153  | 9.3   | 3,529,994                                  | 12.0                                  |
| Washington, DC-MD-VA-WV                  | 31,438,410  | 5.3   | 1,292,807                                  | 4.4                                   |
| Monmouth-Ocean, NJ                       | 26,273,487  | 4.5   | 1,620,863                                  | 5.5                                   |
| Middlesex-Somerset-Hunterdon, NJ         | 20,042,563  | 3.4   | 986,760                                    | 3.4                                   |
| Trenton, NJ                              | 19,749,762  | 3.4   | 956,597                                    | 3.3                                   |
| New York, NY (Manhattan)                 | 15,239,329  | 2.6   | 524,476                                    | 1.8                                   |
| Stamford-Norwalk, CT                     | 7,209,072   | 1.2   | 452,260                                    | 1.5                                   |
| Bridgeport, CT                           | 2,261,002   | 0.4   | 145,487                                    | 0.5                                   |

|                       |                    |              |                   |              |
|-----------------------|--------------------|--------------|-------------------|--------------|
| Atlantic-Cape May, NJ | 1,879,867          | 0.3          | 80,344            | 0.3          |
| <b>Totals</b>         | <b>588,984,148</b> | <b>100.0</b> | <b>29,325,705</b> | <b>100.0</b> |

- (a) Annualized base rental revenue is based on actual June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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, at June 30, 2007, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring June 30, 2007 aggregating 171,782 feet and representing annualized rent of \$3,476,034 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:

| <b>Industry Classification (a)</b>                 | <b>Annualized Base Rental Revenue (\$ (b) (c) (d))</b> | <b>Percentage of Company Annualized Base Rental Revenue (%)</b> | <b>Square Feet Leased (c) (d)</b> | <b>Percentage of Total Company Leased Sq. Ft. (%)</b> |
|--|--|---|-----------------------------------|---|
| Securities, Commodity Contracts & Other Financial  | 112,693,938  | 19.0  | 4,109,039                         | 15.4  |
| Manufacturing                                      | 46,552,609   | 7.9   | 2,237,852                         | 8.4   |
| Insurance Carriers & Related Activities            | 46,011,360   | 7.8   | 2,050,490                         | 7.7   |
| Computer System Design Services                    | 31,583,054   | 5.4   | 1,472,897                         | 5.6   |
| Credit Intermediation & Related Activities         | 28,486,944   | 4.8   | 1,141,408                         | 4.3   |
| Telecommunications                                 | 28,061,603   | 4.8   | 1,357,049                         | 5.1   |
| Legal Services                                     | 24,496,389   | 4.2   | 973,131                           | 3.7   |
| Health Care & Social Assistance                    | 24,098,072   | 4.1   | 1,205,220                         | 4.5   |
| Wholesale Trade                                    | 22,034,799   | 3.7   | 1,433,036                         | 5.4   |
| Scientific Research/Development                    | 21,951,530   | 3.7   | 923,479                           | 3.5   |
| Other Professional                                 | 18,897,565   | 3.2   | 837,090                           | 3.2   |
| Accounting/Tax Prep.                               | 18,091,732   | 3.1   | 727,234                           | 2.7   |
| Public Administration                              | 16,543,908   | 2.8   | 622,500                           | 2.3   |
| Retail Trade                                       | 15,101,651   | 2.6   | 914,724                           | 3.4   |
| Advertising/Related Services                       | 14,857,944   | 2.5   | 616,389                           | 2.3   |
| Other Services (except Public Administration)      | 13,256,196   | 2.3   | 706,801                           | 2.7   |
| Information Services                               | 10,320,631   | 1.8   | 450,468                           | 1.7   |
| Arts, Entertainment & Recreation                   | 9,176,629  | 1.6   | 561,121                           | 2.1   |
| Real Estate & Rental & Leasing                     | 8,802,649  | 1.5   | 413,014                           | 1.6   |
| Architectural/Engineering                          | 8,539,705  | 1.4   | 381,125                           | 1.4   |
| Construction                                       | 8,328,417  | 1.4   | 388,678                           | 1.5   |
| Broadcasting                                       | 7,405,686  | 1.3   | 472,618                           | 1.8   |
| Admin & Support, Waste Mgt. & Remediation Services | 6,939,983  | 1.2   | 404,377                           | 1.5   |
| Utilities  | 6,803,952  | 1.2   | 330,184                           | 1.2   |
| Data Processing Services                           | 6,027,860  | 1.0   | 247,229                           | 0.9   |
| Transportation                                     | 5,943,807  | 1.0   | 314,725                           | 1.2   |
| Educational Services                               | 5,351,643  | 0.9   | 266,581                           | 1.0   |
| Specialized Design Services                        | 3,948,516  | 0.7   | 174,647                           | 0.7   |
| Publishing Industries                              | 3,732,284  | 0.6   | 199,360                           | 0.8   |
| Management of Companies & Finance                  | 3,671,186  | 0.6   | 148,009                           | 0.6   |
| Other  | 11,271,906   | 1.9   | 443,727                           | 1.8   |
| <b>TOTALS</b>                                      | <b>588,984,148</b>                                     | <b>100.0</b>  | <b>26,524,202</b>                 | <b>100.0</b>  |

- (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 June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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, at June 30, 2007, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring June 30, 2007 aggregating 171,782 square feet and representing annualized rent of \$3,476,034 for which no new leases were signed.

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**Consolidated Portfolio Analysis (a)**  
(as of June 30, 2007)

**Breakdown by Number of Properties**

PROPERTY TYPE:

| STATE                  | Office     | % of Total   | Office/Flex | % of Total   | Industrial/Warehouse | % of Total  | Stand-Alone Retail | % of Total  | Land Leases | % of Total  | TOTALS By State | % of Total    |
|------------------------|------------|--------------|-------------|--------------|----------------------|-------------|--------------------|-------------|-------------|-------------|-----------------|---------------|
| New Jersey             | 101        | 39.3%        | 49          | 19.1%        | —                    | —           | —                  | —           | —           | —           | 150             | 58.4%         |
| New York               | 21         | 8.2%         | 41          | 16.0%        | 6                    | 2.3%        | 2                  | 0.8%        | 2           | 0.8%        | 72              | 28.1%         |
| Pennsylvania           | 18         | 6.9%         | —           | —            | —                    | —           | —                  | —           | —           | —           | 18              | 6.9%          |
| Connecticut            | 2          | 0.8%         | 5           | 1.9%         | —                    | —           | —                  | —           | —           | —           | 7               | 2.7%          |
| Wash., D.C./ Maryland  | 10         | 3.9%         | —           | —            | —                    | —           | —                  | —           | —           | —           | 10              | 3.9%          |
| <b>TOTALS By Type:</b> | <b>152</b> | <b>59.1%</b> | <b>95</b>   | <b>37.0%</b> | <b>6</b>             | <b>2.3%</b> | <b>2</b>           | <b>0.8%</b> | <b>2</b>    | <b>0.8%</b> | <b>257</b>      | <b>100.0%</b> |

(a) Excludes 45 properties, aggregating approximately 5.4 million square feet, which are not consolidated by the Company.

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**Consolidated Portfolio Analysis (a)**  
(as of June 30, 2007)

**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             | 17,726,986        | 60.5%        | 2,189,531        | 7.5%         | —                    | —           | —                  | —           | 19,916,517        | 68.0%         |
| New York               | 2,739,384         | 9.3%         | 2,348,812        | 8.0%         | 387,400              | 1.3%        | 17,300             | 0.1%        | 5,492,896         | 18.7%         |
| Pennsylvania           | 2,025,738         | 6.9%         | —                | —            | —                    | —           | —                  | —           | 2,025,738         | 6.9%          |
| Connecticut            | 324,747           | 1.1%         | 273,000          | 0.9%         | —                    | —           | —                  | —           | 597,747           | 2.0%          |
| Wash., D.C./ Maryland  | 1,292,807         | 4.4%         | —                | —            | —                    | —           | —                  | —           | 1,292,807         | 4.4%          |
| <b>TOTALS By Type:</b> | <b>24,109,662</b> | <b>82.2%</b> | <b>4,811,343</b> | <b>16.4%</b> | <b>387,400</b>       | <b>1.3%</b> | <b>17,300</b>      | <b>0.1%</b> | <b>29,325,705</b> | <b>100.0%</b> |

(a) Excludes 45 properties, aggregating approximately 5.4 million square feet, which are not consolidated by the Company.

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**Consolidated Portfolio Analysis (a)**  
(Year ended June 30, 2007)

**Breakdown by Base Rental Revenue (b)**  
(Dollars in thousands)

PROPERTY TYPE:

| STATE                  | Office         | % of Total   | Office/Flex   | % of Total   | Indust./Ware-house | % of Total  | Stand-Alone Retail | % of Total  | Land Leases | % of Total  | TOTALS By State | % of Total    |
|------------------------|----------------|--------------|---------------|--------------|--------------------|-------------|--------------------|-------------|-------------|-------------|-----------------|---------------|
| New Jersey             | 368,404        | 66.0%        | 18,605        | 3.3%         | —                  | —           | —                  | —           | —           | —           | 387,009         | 69.3%         |
| New York               | 52,499         | 9.4%         | 33,748        | 6.0%         | 4,073              | 0.7%        | 370                | 0.1%        | 299         | 0.1%        | 90,989          | 16.3%         |
| Pennsylvania           | 40,927         | 7.3%         | —             | —            | —                  | —           | —                  | —           | —           | —           | 40,927          | 7.3%          |
| Connecticut            | 6,098          | 1.1%         | 3,977         | 0.7%         | —                  | —           | —                  | —           | —           | —           | 10,075          | 1.8%          |
| Wash., D.C./ Maryland  | 29,359         | 5.3%         | —             | —            | —                  | —           | —                  | —           | —           | —           | 29,359          | 5.3%          |
| <b>TOTALS By Type:</b> | <b>497,287</b> | <b>89.1%</b> | <b>56,330</b> | <b>10.0%</b> | <b>4,073</b>       | <b>0.7%</b> | <b>370</b>         | <b>0.1%</b> | <b>299</b>  | <b>0.1%</b> | <b>558,359</b>  | <b>100.0%</b> |

(a) Excludes 45 properties, aggregating approximately 5.4 million square feet, which are not consolidated by the Company.

(b) Total base rent for the 12 months ended June 30, 2007, 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 June 30, 2007)

## Breakdown by Percentage Leased

### PROPERTY TYPE:

| STATE                         | Office       | Office/Flex  | Industrial/Warehouse | Stand-Alone Retail | WEIGHTED AVG.<br>By State |
|-------------------------------|--------------|--------------|----------------------|--------------------|---------------------------|
| New Jersey                    | 91.3%        | 91.9%        | —                    | —                  | 91.4%                     |
| New York                      | 96.2%        | 96.0%        | 98.1%                | 100.0%             | 96.3%                     |
| Pennsylvania                  | 88.9%        | —            | —                    | —                  | 88.9%                     |
| Connecticut                   | 72.1%        | 98.4%        | —                    | —                  | 84.1%                     |
| Washington, D.C./ Maryland    | 89.1%        | —            | —                    | —                  | 89.1%                     |
| <b>WEIGHTED AVG. By Type:</b> | <b>91.3%</b> | <b>94.3%</b> | <b>98.1%</b>         | <b>100.0%</b>      | <b>91.9%</b>              |

- (a) Excludes 45 properties, aggregating approximately 5.4 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 June 30, 2007, a lease with commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), as well as leases expiring June 30, 2007 aggregating 171,782 square feet for which no new leases were signed.

### Property Listing

#### Office Properties

| Property<br>Location                 | Year<br>Built | Net<br>Rentable<br>(Sq. Ft.) | Percentage<br>Leased<br>as of<br>6/30/07<br>(%) (a) | 2007<br>Base<br>Rent<br>(\$000's)<br>(b) (c) | Percentage<br>of Total 2007<br>Base Rent<br>(%) | 2007<br>Average<br>Base Rent<br>Per Sq. Ft.<br>(\$)(c) (d) |
|--------------------------------------|---------------|------------------------------|---|--|---|--|
| <b>ATLANTIC COUNTY, NEW JERSEY</b>   |               |                              |   |  |   |  |
| <b>Egg Harbor</b>                    |               |                              |   |  |   |  |
| 100 Decadon Drive (f)                | 1987          | 40,422                       | 100.0   | 955  | 0.17  | 23.63  |
| 200 Decadon Drive (f)                | 1991          | 39,922                       | 100.0   | 947  | 0.17  | 23.72  |
| <b>BERGEN COUNTY, NEW JERSEY</b>     |               |                              |   |  |   |  |
| <b>Fair Lawn</b>                     |               |                              |   |  |   |  |
| 17-17 Route 208 North                | 1987          | 143,000                      | 100.0   | 3,455  | 0.62  | 24.16  |
| <b>Fort Lee</b>                      |               |                              |   |  |   |  |
| One Bridge Plaza                     | 1981          | 200,000                      | 63.3  | 2,349  | 0.42  | 18.55  |
| 2115 Linwood Avenue                  | 1981          | 68,000                       | 40.2  | 1,078  | 0.19  | 39.44  |
| <b>Little Ferry</b>                  |               |                              |   |  |   |  |
| 200 Riser Road                       | 1974          | 286,628                      | 100.0   | 2,066  | 0.37  | 7.21   |
| <b>Montvale</b>                      |               |                              |   |  |   |  |
| 95 Chestnut Ridge Road               | 1975          | 47,700                       | 100.0   | 796  | 0.14  | 16.69  |
| 135 Chestnut Ridge Road              | 1981          | 66,150                       | 100.0   | 1,468  | 0.26  | 22.19  |
| <b>Paramus</b>                       |               |                              |   |  |   |  |
| 15 East Midland Avenue               | 1988          | 259,823                      | 100.0   | 5,480  | 0.98  | 21.09  |
| 140 East Ridgewood Avenue            | 1981          | 239,680                      | 92.1  | 4,899  | 0.88  | 22.19  |
| 461 From Road                        | 1988          | 253,554                      | 98.6  | 6,101  | 1.09  | 24.40  |
| 650 From Road                        | 1978          | 348,510                      | 92.1  | 7,789  | 1.39  | 24.27  |
| 61 South Paramus Avenue              | 1985          | 269,191                      | 99.9  | 6,988  | 1.25  | 25.99  |
| <b>Ridgefield Park</b>               |               |                              |   |  |   |  |
| 105 Challenger Road                  | 1992          | 150,050                      | 87.5  | 4,342  | 0.78  | 33.07  |
| <b>Rochelle Park</b>                 |               |                              |   |  |   |  |
| 120 Passaic Street                   | 1972          | 52,000                       | 99.6  | 1,402  | 0.25  | 27.07  |
| 365 West Passaic Street              | 1976          | 212,578                      | 100.0   | 4,357  | 0.78  | 20.50  |
| 395 West Passaic Street (e)          | 1979          | 100,589                      | 94.1  | 2,007  | 0.36  | 23.10  |
| <b>Upper Saddle River</b>            |               |                              |   |  |   |  |
| 1 Lake Street                        | 1973/94       | 474,801                      | 100.0   | 7,465  | 1.34  | 15.72  |
| 10 Mountainview Road                 | 1986          | 192,000                      | 99.3  | 4,334  | 0.78  | 22.73  |
| <b>Woodcliff Lake</b>                |               |                              |   |  |   |  |
| 400 Chestnut Ridge Road              | 1982          | 89,200                       | 100.0   | 1,950  | 0.35  | 21.86  |
| 470 Chestnut Ridge Road              | 1987          | 52,500                       | 94.6  | 799  | 0.14  | 16.09  |
| 530 Chestnut Ridge Road              | 1986          | 57,204                       | 100.0   | 1,165  | 0.21  | 20.37  |
| 50 Tice Boulevard                    | 1984          | 235,000                      | 100.0   | 6,165  | 1.10  | 26.23  |
| 300 Tice Boulevard                   | 1991          | 230,000                      | 96.3  | 6,104  | 1.09  | 27.56  |
| <b>BURLINGTON COUNTY, NEW JERSEY</b> |               |                              |   |  |   |  |
| <b>Moorestown</b>                    |               |                              |   |  |   |  |
| 224 Strawbridge Drive                | 1984          | 74,000                       | 98.4  | 1,444  | 0.26  | 19.83  |
| 228 Strawbridge Drive                | 1984          | 74,000                       | 100.0   | 1,043  | 0.19  | 14.09  |
| 232 Strawbridge Drive                | 1986          | 74,258                       | 98.8  | 1,461  | 0.26  | 19.91  |
| <b>ESSEX COUNTY, NEW JERSEY</b>      |               |                              |   |  |   |  |
| <b>Millburn</b>                      |               |                              |   |  |   |  |
| 150 J.F. Kennedy Parkway             | 1980          | 247,476                      | 100.0   | 7,518  | 1.35  | 30.38  |

|                        |      |         |      |       |      |       |
|------------------------|------|---------|------|-------|------|-------|
| 101 Eisenhower Parkway | 1980 | 237,000 | 97.7 | 5,550 | 0.99 | 23.97 |
| 103 Eisenhower Parkway | 1985 | 151,545 | 81.0 | 2,951 | 0.53 | 24.04 |
| 105 Eisenhower Parkway | 2001 | 220,000 | 86.1 | 4,433 | 0.79 | 23.40 |

|                        |      |         |       |       |      |       |
|------------------------|------|---------|-------|-------|------|-------|
| <b>Florham Park</b>    |      |         |       |       |      |       |
| 325 Columbia Turnpike  | 1987 | 168,144 | 99.4  | 4,114 | 0.74 | 24.61 |
| <b>Morris Plains</b>   |      |         |       |       |      |       |
| 250 Johnson Road       | 1977 | 75,000  | 100.0 | 1,579 | 0.28 | 21.05 |
| 201 Littleton Road     | 1979 | 88,369  | 86.3  | 1,769 | 0.32 | 23.20 |
| <b>Morris Township</b> |      |         |       |       |      |       |
| 412 Mt. Kemble Avenue  | 1986 | 475,100 | 33.5  | 1,125 | 0.20 | 7.07  |
| <b>Parsippany</b>      |      |         |       |       |      |       |
| 4 Campus Drive         | 1983 | 147,475 | 90.0  | 2,842 | 0.51 | 21.41 |
| 6 Campus Drive         | 1983 | 148,291 | 73.6  | 2,565 | 0.46 | 23.50 |
| 7 Campus Drive         | 1982 | 154,395 | 41.3  | 248   | 0.04 | 3.89  |
| 8 Campus Drive         | 1987 | 215,265 | 100.0 | 6,266 | 1.12 | 29.11 |
| 9 Campus Drive         | 1983 | 156,495 | 93.6  | 3,666 | 0.66 | 25.03 |
| 4 Century Drive        | 1981 | 100,036 | 71.9  | 1,562 | 0.28 | 21.72 |
| 5 Century Drive        | 1981 | 79,739  | 67.2  | 1,521 | 0.27 | 28.39 |
| 6 Century Drive        | 1981 | 100,036 | 72.4  | 676   | 0.12 | 9.33  |
| 2 Dryden Way           | 1990 | 6,216   | 100.0 | 93    | 0.02 | 14.96 |
| 4 Gatehall Drive       | 1988 | 248,480 | 86.8  | 5,359 | 0.96 | 24.85 |
| 2 Hilton Court         | 1991 | 181,592 | 100.0 | 4,801 | 0.86 | 26.44 |
| 1633 Littleton Road    | 1978 | 57,722  | 100.0 | 1,131 | 0.20 | 19.59 |
| 600 Parsippany Road    | 1978 | 96,000  | 86.0  | 1,444 | 0.26 | 17.49 |
| 1 Sylvan Way           | 1989 | 150,557 | 100.0 | 3,609 | 0.65 | 23.97 |
| 5 Sylvan Way           | 1989 | 151,383 | 100.0 | 4,010 | 0.72 | 26.49 |
| 7 Sylvan Way           | 1987 | 145,983 | 100.0 | 3,219 | 0.58 | 22.05 |
| 35 Waterview Boulevard | 1990 | 172,498 | 92.2  | 4,372 | 0.78 | 27.49 |
| 5 Wood Hollow Road     | 1979 | 317,040 | 96.7  | 5,961 | 1.08 | 19.44 |

#### PASSAIC COUNTY, NEW JERSEY

|                     |      |        |       |       |      |       |
|---------------------|------|--------|-------|-------|------|-------|
| <b>Clifton</b>      |      |        |       |       |      |       |
| 777 Passaic Avenue  | 1983 | 75,000 | 100.0 | 1,578 | 0.28 | 21.04 |
| <b>Totowa</b>       |      |        |       |       |      |       |
| 999 Riverview Drive | 1988 | 56,066 | 100.0 | 1,086 | 0.19 | 19.37 |

#### SOMERSET COUNTY, NEW JERSEY

|                      |      |         |       |       |      |       |
|----------------------|------|---------|-------|-------|------|-------|
| <b>Basking Ridge</b> |      |         |       |       |      |       |
| 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 | 0.24 | 19.92 |
| <b>Bernards</b>      |      |         |       |       |      |       |
| 106 Allen Road       | 2000 | 132,010 | 96.2  | 3,082 | 0.55 | 24.27 |
| <b>Bridgewater</b>   |      |         |       |       |      |       |
| 721 Route 202/206    | 1989 | 192,741 | 97.0  | 3,983 | 0.71 | 21.30 |

#### UNION COUNTY, NEW JERSEY

|                       |      |         |       |       |      |       |
|-----------------------|------|---------|-------|-------|------|-------|
| <b>Clark</b>          |      |         |       |       |      |       |
| 100 Walnut Avenue     | 1985 | 182,555 | 100.0 | 4,749 | 0.85 | 26.01 |
| <b>Cranford</b>       |      |         |       |       |      |       |
| 6 Commerce Drive      | 1973 | 56,000  | 88.1  | 1,029 | 0.18 | 20.86 |
| 11 Commerce Drive (c) | 1981 | 90,000  | 75.9  | 1,290 | 0.23 | 18.88 |
| 12 Commerce Drive     | 1967 | 72,260  | 95.1  | 967   | 0.17 | 14.07 |
| 14 Commerce Drive     | 1971 | 67,189  | 87.3  | 1,216 | 0.22 | 20.73 |
| 20 Commerce Drive     | 1990 | 176,600 | 100.0 | 4,483 | 0.80 | 25.39 |
| 25 Commerce Drive     | 1971 | 67,749  | 95.0  | 1,408 | 0.25 | 21.88 |
| 65 Jackson Drive      | 1984 | 82,778  | 97.5  | 1,848 | 0.33 | 22.90 |

| Property Location                   | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 6/30/07 (%) (a) | 2007 Base Rent (\$000's) (b) (c) | Percentage of Total 2007 Base Rent (%) | 2007 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|-------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| <b>New Providence</b>               |            |                        |   |                                  |  |   |
| 890 Mountain Avenue                 | 1977       | 80,000                 | 87.1                                    | 1,775                            | 0.32                                   | 25.47   |
| <b>Total New Jersey Office</b>      |            | <b>17,726,986</b>      | <b>91.3</b>                             | <b>368,404</b>                   | <b>65.98</b>                           | <b>22.91</b>                                    |
| <b>NEW YORK COUNTY, NEW YORK</b>    |            |                        |   |                                  |  |   |
| <b>New York</b>                     |            |                        |   |                                  |  |   |
| 125 Broad Street (c)                | 1970       | 524,476                | 100.0                                   | 1,283                            | 0.23                                   | 44.64   |
| <b>ROCKLAND COUNTY, NEW YORK</b>    |            |                        |   |                                  |  |   |
| <b>Suffern</b>                      |            |                        |   |                                  |  |   |
| 400 Rella Boulevard                 | 1988       | 180,000                | 97.3                                    | 4,174                            | 0.75                                   | 23.83   |
| <b>WESTCHESTER COUNTY, NEW YORK</b> |            |                        |   |                                  |  |   |
| <b>Elmsford</b>                     |            |                        |   |                                  |  |   |
| 100 Clearbrook Road (c)             | 1975       | 60,000                 | 94.4                                    | 1,112                            | 0.20                                   | 19.63   |
| 101 Executive Boulevard             | 1971       | 50,000                 | 43.0                                    | 486                              | 0.09                                   | 22.60   |
| 555 Taxter Road                     | 1986       | 170,554                | 100.0                                   | 4,195                            | 0.75                                   | 24.60   |

|                              |      |                  |             |               |             |              |
|------------------------------|------|------------------|-------------|---------------|-------------|--------------|
| 565 Taxter Road              | 1988 | 170,554          | 98.8        | 4,220         | 0.76        | 25.04        |
| 570 Taxter Road              | 1972 | 75,000           | 92.2        | 1,798         | 0.32        | 26.00        |
| <b>Hawthorne</b>             |      |                  |             |               |             |              |
| 1 Skyline Drive              | 1980 | 20,400           | 99.0        | 399           | 0.07        | 19.76        |
| 2 Skyline Drive              | 1987 | 30,000           | 98.9        | 490           | 0.09        | 16.51        |
| 7 Skyline Drive              | 1987 | 109,000          | 95.3        | 2,581         | 0.46        | 24.85        |
| 17 Skyline Drive             | 1989 | 85,000           | 51.7        | 719           | 0.13        | 16.36        |
| 19 Skyline Drive             | 1982 | 248,400          | 100.0       | 4,471         | 0.80        | 18.00        |
| <b>Tarrytown</b>             |      |                  |             |               |             |              |
| 200 White Plains Road        | 1982 | 89,000           | 97.5        | 1,778         | 0.32        | 20.49        |
| 220 White Plains Road        | 1984 | 89,000           | 95.9        | 1,861         | 0.33        | 21.80        |
| <b>White Plains</b>          |      |                  |             |               |             |              |
| 1 Barker Avenue              | 1975 | 68,000           | 97.3        | 1,760         | 0.32        | 26.60        |
| 3 Barker Avenue              | 1983 | 65,300           | 100.0       | 1,575         | 0.28        | 24.12        |
| 50 Main Street               | 1985 | 309,000          | 98.2        | 9,319         | 1.68        | 30.71        |
| 11 Martine Avenue            | 1987 | 180,000          | 100.0       | 4,769         | 0.85        | 26.49        |
| 1 Water Street               | 1979 | 45,700           | 100.0       | 1,149         | 0.21        | 25.14        |
| <b>Yonkers</b>               |      |                  |             |               |             |              |
| 1 Executive Boulevard        | 1982 | 112,000          | 100.0       | 2,868         | 0.51        | 25.61        |
| 3 Executive Plaza            | 1987 | 58,000           | 100.0       | 1,492         | 0.27        | 25.72        |
| <b>Total New York Office</b> |      |                  |             |               |             |              |
|                              |      | <b>2,739,384</b> | <b>96.2</b> | <b>52,499</b> | <b>9.42</b> | <b>28.33</b> |

#### CHESTER COUNTY, PENNSYLVANIA

|                      |      |         |      |       |      |       |
|----------------------|------|---------|------|-------|------|-------|
| <b>Berwyn</b>        |      |         |      |       |      |       |
| 1000 Westlakes Drive | 1989 | 60,696  | 95.7 | 1,587 | 0.28 | 27.32 |
| 1055 Westlakes Drive | 1990 | 118,487 | 96.8 | 2,665 | 0.48 | 23.24 |
| 1205 Westlakes Drive | 1988 | 130,265 | 86.0 | 2,282 | 0.41 | 20.37 |
| 1235 Westlakes Drive | 1986 | 134,902 | 97.7 | 2,873 | 0.51 | 21.80 |

#### DELAWARE COUNTY, PENNSYLVANIA

|                   |      |         |       |       |      |       |
|-------------------|------|---------|-------|-------|------|-------|
| <b>Lester</b>     |      |         |       |       |      |       |
| 100 Stevens Drive | 1986 | 95,000  | 100.0 | 2,551 | 0.46 | 26.85 |
| 200 Stevens Drive | 1987 | 208,000 | 100.0 | 5,653 | 1.01 | 27.18 |
| 300 Stevens Drive | 1992 | 68,000  | 100.0 | 1,589 | 0.28 | 23.37 |

| Property Location                      | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 6/30/07 (%) (a) | 2007 Base Rent (\$000's) (b) (c) | Percentage of Total 2007 Base Rent (%) | 2007 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--|------------|------------------------|---|----------------------------------|--|---|
| <b>Media</b>                           |            |                        |   |                                  |  |   |
| 1400 Providence Road – Center I        | 1986       | 100,000                | 96.8                                    | 2,053                            | 0.37                                   | 21.21   |
| 1400 Providence Road – Center II       | 1990       | 160,000                | 95.2                                    | 3,292                            | 0.59                                   | 21.61   |
| <b>MONTGOMERY COUNTY, PENNSYLVANIA</b> |            |                        |   |                                  |  |   |
| <b>Bala Cynwyd</b>                     |            |                        |   |                                  |  |   |
| 150 Monument Road                      | 1981       | 125,783                | 95.1                                    | 2,702                            | 0.48                                   | 22.59   |
| <b>Blue Bell</b>                       |            |                        |   |                                  |  |   |
| 4 Sentry Parkway                       | 1982       | 63,930                 | 94.1                                    | 1,359                            | 0.24                                   | 22.59   |
| 5 Sentry Parkway East                  | 1984       | 91,600                 | 33.4                                    | 525                              | 0.09                                   | 17.16   |
| 5 Sentry Parkway West                  | 1984       | 38,400                 | 31.5                                    | 295                              | 0.05                                   | 24.39   |
| 16 Sentry Parkway                      | 1988       | 93,093                 | 100.0                                   | 2,234                            | 0.40                                   | 24.00   |
| 18 Sentry Parkway                      | 1988       | 95,010                 | 89.7                                    | 2,131                            | 0.38                                   | 25.00   |
| <b>King of Prussia</b>                 |            |                        |   |                                  |  |   |
| 2200 Renaissance Boulevard             | 1985       | 174,124                | 75.4                                    | 2,846                            | 0.51                                   | 21.68   |
| <b>Lower Providence</b>                |            |                        |   |                                  |  |   |
| 1000 Madison Avenue                    | 1990       | 100,700                | 76.4                                    | 1,091                            | 0.20                                   | 14.18   |
| <b>Plymouth Meeting</b>                |            |                        |   |                                  |  |   |
| 1150 Plymouth Meeting Mall             | 1970       | 167,748                | 92.2                                    | 3,199                            | 0.57                                   | 20.68   |
| <b>Total Pennsylvania Office</b>       |            |                        |   |                                  |  |   |
|  |            | <b>2,025,738</b>       | <b>88.9</b>                             | <b>40,927</b>                    | <b>7.31</b>                            | <b>22.73</b>                                    |
| <b>FAIRFIELD COUNTY, CONNECTICUT</b>   |            |                        |   |                                  |  |   |
| <b>Norwalk</b>                         |            |                        |   |                                  |  |   |
| 40 Richards Avenue                     | 1985       | 145,487                | 71.4                                    | 2,494                            | 0.45                                   | 24.01   |
| <b>Stamford</b>                        |            |                        |   |                                  |  |   |
| 1266 East Main Street                  | 1984       | 179,260                | 72.7                                    | 3,604                            | 0.66                                   | 27.65   |
| <b>Total Connecticut Office</b>        |            |                        |   |                                  |  |   |
|  |            | <b>324,747</b>         | <b>72.1</b>                             | <b>6,098</b>                     | <b>1.11</b>                            | <b>26.04</b>                                    |
| <b>WASHINGTON, D.C.</b>                |            |                        |   |                                  |  |   |
| 1201 Connecticut Avenue, NW            | 1940       | 169,549                | 100.0                                   | 6,095                            | 1.09                                   | 35.95   |
| 1400 L Street, NW                      | 1987       | 159,000                | 100.0                                   | 5,235                            | 0.94                                   | 32.92   |

|  |      |                   |              |                |              |              |
|--|------|-------------------|--------------|----------------|--------------|--------------|
| <b>Total District of Columbia Office</b> |      | <b>328,549</b>    | <b>100.0</b> | <b>11,330</b>  | <b>2.03</b>  | <b>34.48</b> |
| <b>PRINCE GEORGE'S COUNTY, MARYLAND</b>  |      |                   |              |                |              |              |
| <b><u>Greenbelt</u></b>                  |      |                   |              |                |              |              |
| 9200 Edmonston Road                      | 1973 | 38,690            | 100.0        | 919            | 0.16         | 23.75        |
| 6301 Ivy Lane                            | 1979 | 112,003           | 87.4         | 1,992          | 0.36         | 20.35        |
| 6303 Ivy Lane                            | 1980 | 112,047           | 74.8         | 2,439          | 0.44         | 29.10        |
| 6305 Ivy Lane                            | 1982 | 112,022           | 76.3         | 1,586          | 0.28         | 18.56        |
| 6404 Ivy Lane                            | 1987 | 165,234           | 77.9         | 2,745          | 0.49         | 21.33        |
| 6406 Ivy Lane                            | 1991 | 163,857           | 100.0        | 2,725          | 0.49         | 16.63        |
| 6411 Ivy Lane                            | 1984 | 138,405           | 87.2         | 2,855          | 0.51         | 23.66        |
| <b><u>Lanham</u></b>                     |      |                   |              |                |              |              |
| 4200 Parliament Place                    | 1989 | 122,000           | 85.8         | 2,768          | 0.50         | 26.44        |
| <b>Total Maryland Office</b>             |      | <b>964,258</b>    | <b>85.4</b>  | <b>18,029</b>  | <b>3.23</b>  | <b>21.89</b> |
| <b>TOTAL OFFICE PROPERTIES</b>           |      | <b>24,109,662</b> | <b>91.3</b>  | <b>497,287</b> | <b>89.08</b> | <b>23.71</b> |

| <b><u>Property Listing</u></b>       |                   |                               |  |   |   |  |
|--------------------------------------|-------------------|-------------------------------|--|---|---|--|
| <b>Office/Flex Properties</b>        |                   |                               |  |   |   |  |
| <b>Property Location</b>             | <b>Year Built</b> | <b>Net Rentable (Sq. Ft.)</b> | <b>Percentage Leased as of 6/30/07 (%) (a)</b> | <b>2007 Base Rent (\$000's) (b) (c)</b> | <b>Percentage of Total 2007 Base Rent (%)</b> | <b>2007 Average Base Rent Per Sq. Ft. (\$) (c) (d)</b> |
| <b>BURLINGTON COUNTY, NEW JERSEY</b> |                   |                               |  |   |   |  |
| <b><u>Burlington</u></b>             |                   |                               |  |   |   |  |
| 3 Terri Lane                         | 1991              | 64,500                        | 100.0  | 479                                     | 0.09  | 7.43   |
| 5 Terri Lane                         | 1992              | 74,555                        | 100.0  | 606                                     | 0.11  | 8.13   |
| <b><u>Moorestown</u></b>             |                   |                               |  |   |   |  |
| 2 Commerce Drive                     | 1986              | 49,000                        | 21.3   | 273                                     | 0.05  | 26.16  |
| 101 Commerce Drive                   | 1988              | 64,700                        | 100.0  | 275                                     | 0.05  | 4.25   |
| 102 Commerce Drive                   | 1987              | 38,400                        | 75.0   | 216                                     | 0.04  | 7.50   |
| 201 Commerce Drive                   | 1986              | 38,400                        | 75.0   | 184                                     | 0.03  | 6.39   |
| 202 Commerce Drive                   | 1988              | 51,200                        | 100.0  | 288                                     | 0.05  | 5.63   |
| 1 Executive Drive                    | 1989              | 20,570                        | 81.1   | 156                                     | 0.03  | 9.35   |
| 2 Executive Drive                    | 1988              | 60,800                        | 84.7   | 403                                     | 0.07  | 7.83   |
| 101 Executive Drive                  | 1990              | 29,355                        | 99.7   | 287                                     | 0.05  | 9.81   |
| 102 Executive Drive                  | 1990              | 64,000                        | 100.0  | 227                                     | 0.04  | 3.55   |
| 225 Executive Drive                  | 1990              | 50,600                        | 67.6   | 188                                     | 0.03  | 5.50   |
| 97 Foster Road                       | 1982              | 43,200                        | 75.5   | 146                                     | 0.03  | 4.48   |
| 1507 Lancer Drive                    | 1995              | 32,700                        | 100.0  | 134                                     | 0.02  | 4.10   |
| 1245 North Church Street             | 1998              | 52,810                        | 90.5   | 301                                     | 0.05  | 6.30   |
| 1247 North Church Street             | 1998              | 52,790                        | 54.7   | 332                                     | 0.06  | 11.50  |
| 1256 North Church Street             | 1984              | 63,495                        | 100.0  | 445                                     | 0.08  | 7.01   |
| 840 North Lenola Road                | 1995              | 38,300                        | 100.0  | 367                                     | 0.07  | 9.58   |
| 844 North Lenola Road                | 1995              | 28,670                        | 100.0  | 180                                     | 0.03  | 6.28   |
| 915 North Lenola Road                | 1998              | 52,488                        | 100.0  | 296                                     | 0.05  | 5.64   |
| 2 Twosome Drive                      | 2000              | 48,600                        | 100.0  | 408                                     | 0.07  | 8.40   |
| 30 Twosome Drive                     | 1997              | 39,675                        | 100.0  | 159                                     | 0.03  | 4.01   |
| 31 Twosome Drive                     | 1998              | 84,200                        | 100.0  | 467                                     | 0.08  | 5.55   |
| 40 Twosome Drive                     | 1996              | 40,265                        | 100.0  | 292                                     | 0.05  | 7.25   |
| 41 Twosome Drive                     | 1998              | 43,050                        | 100.0  | 216                                     | 0.04  | 5.02   |
| 50 Twosome Drive                     | 1997              | 34,075                        | 100.0  | 245                                     | 0.04  | 7.19   |
| <b>GLOUCESTER COUNTY, NEW JERSEY</b> |                   |                               |  |   |   |  |
| <b><u>West Deptford</u></b>          |                   |                               |  |   |   |  |
| 1451 Metropolitan Drive              | 1996              | 21,600                        | 100.0  | 148                                     | 0.03  | 6.85   |
| <b>MERCER COUNTY, NEW JERSEY</b>     |                   |                               |  |   |   |  |
| <b><u>Hamilton Township</u></b>      |                   |                               |  |   |   |  |
| 100 Horizon Center Boulevard         | 1989              | 13,275                        | 100.0  | 193                                     | 0.03  | 14.54  |
| 200 Horizon Drive                    | 1991              | 45,770                        | 100.0  | 591                                     | 0.11  | 12.91  |
| 300 Horizon Drive                    | 1989              | 69,780                        | 100.0  | 1,147                                   | 0.21  | 16.44  |
| 500 Horizon Drive                    | 1990              | 41,205                        | 100.0  | 615                                     | 0.11  | 14.93  |
| <b>MONMOUTH COUNTY, NEW JERSEY</b>   |                   |                               |  |   |   |  |
| <b><u>Wall Township</u></b>          |                   |                               |  |   |   |  |
| 1325 Campus Parkway                  | 1988              | 35,000                        | 100.0  | 655                                     | 0.12  | 18.71  |
| 1340 Campus Parkway                  | 1992              | 72,502                        | 100.0  | 950                                     | 0.17  | 13.10  |
| 1345 Campus Parkway                  | 1995              | 76,300                        | 100.0  | 942                                     | 0.17  | 12.35  |
| 1433 Highway 34                      | 1985              | 69,020                        | 76.4   | 412                                     | 0.07  | 7.81   |
| 1320 Wyckoff Avenue                  | 1986              | 20,336                        | 100.0  | 178                                     | 0.03  | 8.75   |
| 1324 Wyckoff Avenue                  | 1987              | 21,168                        | 100.0  | 227                                     | 0.04  | 10.72  |

| Property Location                   | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 6/30/07 (%) (a) | 2007 Base Rent (\$000's) (b) (c) | Percentage of Total 2007 Base Rent (%) | 2007 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|-------------------------------------|------------|------------------------|---|----------------------------------|--|---|
| <b>PASSAIC COUNTY, NEW JERSEY</b>   |            |                        |   |                                  |  |   |
| <b>Totowa</b>                       |            |                        |   |                                  |  |   |
| 1 Center Court                      | 1999       | 38,961                 | 100.0                                   | 534                              | 0.10                                   | 13.71   |
| 2 Center Court                      | 1998       | 30,600                 | 99.3                                    | 305                              | 0.05                                   | 10.04   |
| 11 Commerce Way                     | 1989       | 47,025                 | 100.0                                   | 565                              | 0.10                                   | 12.01   |
| 20 Commerce Way                     | 1992       | 42,540                 | 58.9                                    | 169                              | 0.03                                   | 6.74  |
| 29 Commerce Way                     | 1990       | 48,930                 | 100.0                                   | 711                              | 0.13                                   | 14.53   |
| 40 Commerce Way                     | 1987       | 50,576                 | 85.7                                    | 653                              | 0.12                                   | 15.07   |
| 45 Commerce Way                     | 1992       | 51,207                 | 96.4                                    | 355                              | 0.06                                   | 7.19  |
| 60 Commerce Way                     | 1988       | 50,333                 | 85.8                                    | 538                              | 0.10                                   | 12.46   |
| 80 Commerce Way                     | 1996       | 22,500                 | 100.0                                   | 310                              | 0.06                                   | 13.78   |
| 100 Commerce Way                    | 1996       | 24,600                 | 100.0                                   | 338                              | 0.06                                   | 13.74   |
| 120 Commerce Way                    | 1994       | 9,024                  | 100.0                                   | 125                              | 0.02                                   | 13.85   |
| 140 Commerce Way                    | 1994       | 26,881                 | 99.5                                    | 374                              | 0.07                                   | 13.98   |
| <b>Total New Jersey Office/Flex</b> |            | <b>2,189,531</b>       | <b>91.9</b>                             | <b>18,605</b>                    | <b>3.33</b>                            | <b>9.25</b>                                     |
| <b>WESTCHESTER COUNTY, NEW YORK</b> |            |                        |   |                                  |  |   |
| <b>Elmsford</b>                     |            |                        |   |                                  |  |   |
| 11 Clearbrook Road                  | 1974       | 31,800                 | 100.0                                   | 415                              | 0.07                                   | 13.05   |
| 75 Clearbrook Road                  | 1990       | 32,720                 | 100.0                                   | 702                              | 0.13                                   | 21.45   |
| 125 Clearbrook Road                 | 2002       | 33,000                 | 100.0                                   | 711                              | 0.13                                   | 21.55   |
| 150 Clearbrook Road                 | 1975       | 74,900                 | 100.0                                   | 1,043                            | 0.19                                   | 13.93   |
| 175 Clearbrook Road                 | 1973       | 98,900                 | 100.0                                   | 1,575                            | 0.28                                   | 15.93   |
| 200 Clearbrook Road                 | 1974       | 94,000                 | 99.8                                    | 1,292                            | 0.23                                   | 13.77   |
| 250 Clearbrook Road                 | 1973       | 155,000                | 97.3                                    | 1,469                            | 0.26                                   | 9.74  |
| 50 Executive Boulevard              | 1969       | 45,200                 | 98.2                                    | 490                              | 0.09                                   | 11.04   |
| 77 Executive Boulevard              | 1977       | 13,000                 | 55.4                                    | 229                              | 0.04                                   | 31.80   |
| 85 Executive Boulevard              | 1968       | 31,000                 | 93.8                                    | 474                              | 0.08                                   | 16.30   |
| 300 Executive Boulevard             | 1970       | 60,000                 | 63.0                                    | 471                              | 0.08                                   | 12.46   |
| 350 Executive Boulevard             | 1970       | 15,400                 | 98.8                                    | 296                              | 0.05                                   | 19.45   |
| 399 Executive Boulevard             | 1962       | 80,000                 | 100.0                                   | 933                              | 0.17                                   | 11.66   |
| 400 Executive Boulevard             | 1970       | 42,200                 | 100.0                                   | 782                              | 0.14                                   | 18.53   |
| 500 Executive Boulevard             | 1970       | 41,600                 | 94.3                                    | 669                              | 0.12                                   | 17.05   |
| 525 Executive Boulevard             | 1972       | 61,700                 | 83.6                                    | 810                              | 0.15                                   | 15.70   |
| 1 Westchester Plaza                 | 1967       | 25,000                 | 100.0                                   | 334                              | 0.06                                   | 13.36   |
| 2 Westchester Plaza                 | 1968       | 25,000                 | 100.0                                   | 509                              | 0.09                                   | 20.36   |
| 3 Westchester Plaza                 | 1969       | 93,500                 | 100.0                                   | 601                              | 0.11                                   | 6.43  |
| 4 Westchester Plaza                 | 1969       | 44,700                 | 93.1                                    | 523                              | 0.09                                   | 12.57   |
| 5 Westchester Plaza                 | 1969       | 20,000                 | 88.9                                    | 298                              | 0.05                                   | 16.76   |
| 6 Westchester Plaza                 | 1968       | 20,000                 | 100.0                                   | 330                              | 0.06                                   | 16.50   |
| 7 Westchester Plaza                 | 1972       | 46,200                 | 100.0                                   | 764                              | 0.14                                   | 16.54   |
| 8 Westchester Plaza                 | 1971       | 67,200                 | 100.0                                   | 910                              | 0.16                                   | 13.54   |
| <b>Hawthorne</b>                    |            |                        |   |                                  |  |   |
| 200 Saw Mill River Road             | 1965       | 51,100                 | 100.0                                   | 678                              | 0.12                                   | 13.27   |
| 4 Skyline Drive                     | 1987       | 80,600                 | 92.2                                    | 1,296                            | 0.23                                   | 17.44   |
| 5 Skyline Drive                     | 1980       | 124,022                | 99.3                                    | 1,588                            | 0.28                                   | 12.89   |
| 6 Skyline Drive                     | 1980       | 44,155                 | 100.0                                   | 458                              | 0.08                                   | 10.37   |
| 8 Skyline Drive                     | 1985       | 50,000                 | 79.1                                    | 674                              | 0.12                                   | 17.04   |
| 10 Skyline Drive                    | 1985       | 20,000                 | 100.0                                   | 361                              | 0.06                                   | 18.05   |

| Property Location             | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 6/30/07 (%) (a) | 2007 Base Rent (\$000's) (b) (c) | Percentage of Total 2007 Base Rent (%) | 2007 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                 | 88.2                                    | 739                              | 0.13                                   | 15.23   |
| <b>Yonkers</b>                |            |                        |   |                                  |  |   |
| 100 Corporate Boulevard       | 1987       | 78,000                 | 98.3                                    | 1,323                            | 0.24                                   | 17.25   |
| 200 Corporate Boulevard South | 1990       | 84,000                 | 99.8                                    | 1,530                            | 0.27                                   | 18.25   |
| 4 Executive Plaza             | 1986       | 80,000                 | 100.0                                   | 1,276                            | 0.23                                   | 15.95   |
| 6 Executive Plaza             | 1987       | 80,000                 | 100.0                                   | 1,385                            | 0.25                                   | 17.31   |
| 1 Odell Plaza                 | 1980       | 106,000                | 98.0                                    | 1,467                            | 0.26                                   | 14.12   |

|                                      |      |                  |             |               |              |              |
|--------------------------------------|------|------------------|-------------|---------------|--------------|--------------|
| 3 Odell Plaza                        | 1984 | 71,065           | 100.0       | 1,597         | 0.30         | 22.47        |
| 5 Odell Plaza                        | 1983 | 38,400           | 84.8        | 559           | 0.10         | 17.17        |
| 7 Odell Plaza                        | 1984 | 42,600           | 99.6        | 721           | 0.13         | 16.99        |
| <b>Total New York Office/Flex</b>    |      | <b>2,348,812</b> | <b>96.0</b> | <b>33,748</b> | <b>6.03</b>  | <b>14.97</b> |
| <b>FAIRFIELD COUNTY, CONNECTICUT</b> |      |                  |             |               |              |              |
| <b>Stamford</b>                      |      |                  |             |               |              |              |
| 419 West Avenue                      | 1986 | 88,000           | 100.0       | 1,360         | 0.24         | 15.45        |
| 500 West Avenue                      | 1988 | 25,000           | 82.3        | 375           | 0.07         | 18.23        |
| 550 West Avenue                      | 1990 | 54,000           | 100.0       | 872           | 0.16         | 16.15        |
| 600 West Avenue                      | 1999 | 66,000           | 100.0       | 804           | 0.14         | 12.18        |
| 650 West Avenue                      | 1998 | 40,000           | 100.0       | 566           | 0.10         | 14.15        |
| <b>Total Connecticut Office/Flex</b> |      | <b>273,000</b>   | <b>98.4</b> | <b>3,977</b>  | <b>0.71</b>  | <b>14.81</b> |
| <b>TOTAL OFFICE/FLEX PROPERTIES</b>  |      | <b>4,811,343</b> | <b>94.3</b> | <b>56,330</b> | <b>10.07</b> | <b>12.42</b> |

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### Property Listing

#### Industrial/Warehouse, Retail and Land Properties

| Property Location                            | Year Built | Net Rentable (Sq. Ft.) | Percentage Leased as of 6/30/07 (%) (a) | 2007 Base Rent (\$000's) (b) (c) | Percentage of Total 2007 Base Rent (%) | 2007 Average Base Rent Per Sq. Ft. (\$) (c) (d) |
|--|------------|------------------------|---|----------------------------------|--|---|
| <b>WESTCHESTER COUNTY, NEW YORK</b>          |            |                        |   |                                  |  |   |
| <b>Elmsford</b>                              |            |                        |   |                                  |  |   |
| 1 Warehouse Lane                             | 1957       | 6,600                  | 100.0                                   | 86                               | 0.02                                   | 13.03   |
| 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                                    | 2,003                            | 0.36                                   | 10.52   |
| 5 Warehouse Lane                             | 1957       | 75,100                 | 97.1                                    | 988                              | 0.18                                   | 13.55   |
| 6 Warehouse Lane                             | 1982       | 22,100                 | 100.0                                   | 513                              | 0.09                                   | 23.21   |
| <b>Total Industrial/Warehouse Properties</b> |            | <b>387,400</b>         | <b>98.1</b>                             | <b>4,073</b>                     | <b>0.74</b>                            | <b>10.71</b>                                    |
| <b>WESTCHESTER COUNTY, NEW YORK</b>          |            |                        |   |                                  |  |   |
| <b>Tarrytown</b>                             |            |                        |   |                                  |  |   |
| 230 White Plains Road                        | 1984       | 9,300                  | 100.0                                   | 195                              | 0.03                                   | 20.97   |
| <b>Yonkers</b>                               |            |                        |   |                                  |  |   |
| 2 Executive Boulevard                        | 1986       | 8,000                  | 100.0                                   | 175                              | 0.03                                   | 21.88   |
| <b>Total Retail Properties</b>               |            | <b>17,300</b>          | <b>100.0</b>                            | <b>370</b>                       | <b>0.06</b>                            | <b>21.39</b>                                    |
| <b>WESTCHESTER COUNTY, NEW YORK</b>          |            |                        |   |                                  |  |   |
| <b>Elmsford</b>                              |            |                        |   |                                  |  |   |
| 700 Executive Boulevard                      | —          | —                      | —                                       | 114                              | 0.02                                   | —   |
| <b>Yonkers</b>                               |            |                        |   |                                  |  |   |
| 1 Enterprise Boulevard                       | —          | —                      | —                                       | 185                              | 0.03                                   | —   |
| <b>Total Land Leases</b>                     |            | <b>—</b>               | <b>—</b>                                | <b>299</b>                       | <b>0.05</b>                            | <b>—</b>  |
| <b>TOTAL PROPERTIES</b>                      |            | <b>29,325,705</b>      | <b>91.9</b>                             | <b>558,359(g)</b>                | <b>100.00</b>                          | <b>21.64</b>                                    |

- (a) Percentage leased includes all leases in effect as of the period end date, some of which have commencement dates in the future (including, at June 30, 2007, a lease with a commencement date substantially in the future consisting of 8,590 square feet scheduled to commence in 2009), and leases expiring June 30, 2007 aggregating 174,122 square feet (representing 0.6 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 June 30, 2007, 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 June 30, 2007, divided by net rentable square feet leased at June 30, 2007. For those properties acquired or placed in service during the 12 months ended June 30, 2007, amounts are annualized, as per Note e.
- (e) As this property was acquired or placed in service by the Company during the 12 months ended June 30, 2007, the amounts represented in 2007 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 2007 average base rent per sq. ft. for this property have been calculated by taking 2007 base rent for such property and annualizing these partial-year results, dividing such annualized amounts by the net rentable square feet leased at June 30, 2007. 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 June 30, 2007.
- (f) This property was identified as held for sale by the Company as of June 30, 2007 and is classified as discontinued operations in the financial statements.
- (g) Includes \$1,902 pertaining to properties as held for sale, which are classified as discontinued operations in the financial statements.



### Significant Tenants

The following table sets forth a schedule of the Company's 50 largest tenants for the Consolidated Properties as of June 30, 2007, based upon annualized base rents:

|   | Number of<br>Properties | Annualized<br>Base Rental<br>Revenue (\$)(a) | Percentage of<br>Company<br>Annualized Base<br>Rental Revenue (%) | Square<br>Feet<br>Leased | Percentage<br>Total Company<br>Leased Sq. Ft. (%) | Year of<br>Lease<br>Expiration |
|---|-------------------------|--|---|--------------------------|---|--------------------------------|
| Citigroup Global Markets, Inc.                        | 6                       | 14,236,696                                   | 2.4   | 463,375                  | 1.7   | 2016(b)                        |
| Morgan Stanley & Co., Inc.                            | 5                       | 9,395,415                                    | 1.6   | 381,576                  | 1.4   | 2013(c)                        |
| United States Of America-GSA                          | 12                      | 9,338,848                                    | 1.6   | 297,844                  | 1.1   | 2017(d)                        |
| New Cingular Wireless PCS, LLC                        | 4                       | 9,144,930                                    | 1.6   | 410,313                  | 1.5   | 2014(e)                        |
| DB Services New Jersey, Inc.                          | 1                       | 8,292,236                                    | 1.4   | 310,391                  | 1.2   | 2017                           |
| Credit Suisse First Boston                            | 1                       | 7,940,235                                    | 1.3   | 234,331                  | 0.9   | 2012(f)                        |
| Keystone Mercy Health Plan                            | 2                       | 7,897,031                                    | 1.3   | 303,149                  | 1.1   | 2015                           |
| National Union Fire Insurance                         | 1                       | 7,711,023                                    | 1.3   | 317,799                  | 1.2   | 2012                           |
| Prentice-Hall, Inc.                                   | 1                       | 7,694,097                                    | 1.3   | 474,801                  | 1.8   | 2014                           |
| Forest Laboratories, Inc.                             | 2                       | 6,961,107                                    | 1.2   | 202,857                  | 0.8   | 2017(g)                        |
| American Institute of Certified Public<br>Accountants | 1                       | 6,653,005                                    | 1.1   | 249,768                  | 0.9   | 2012                           |
| Toys 'R' Us - NJ, Inc.                                | 1                       | 6,072,651                                    | 1.0   | 242,518                  | 0.9   | 2012                           |
| ICAP Securities USA, LLC                              | 1                       | 5,973,008                                    | 1.0   | 159,834                  | 0.6   | 2017                           |
| Allstate Insurance Company                            | 10                      | 5,703,460                                    | 1.0   | 237,559                  | 0.9   | 2017(h)                        |
| TD Ameritrade Online Holdings                         | 1                       | 5,637,193                                    | 1.0   | 184,222                  | 0.7   | 2015                           |
| IBM Corporation                                       | 3                       | 5,562,770                                    | 0.9   | 310,263                  | 1.2   | 2012(i)                        |
| Merrill Lynch Pierce Fenner                           | 3                       | 5,291,859                                    | 0.9   | 306,125                  | 1.2   | 2017(j)                        |
| KPMG, LLP   | 3                       | 4,784,243                                    | 0.8   | 181,025                  | 0.7   | 2012(k)                        |
| 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                           |
| Daiichi Sankyo, Inc.                                  | 3                       | 4,031,781                                    | 0.7   | 136,366                  | 0.5   | 2022(l)                        |
| AT&T Corp.  | 1                       | 3,805,000                                    | 0.6   | 275,000                  | 1.0   | 2014                           |
| Vonage America, Inc.                                  | 1                       | 3,780,000                                    | 0.6   | 350,000                  | 1.3   | 2017                           |
| Wyndham Worldwide Corporation                         | 1                       | 3,773,775                                    | 0.6   | 150,951                  | 0.6   | 2009                           |
| Samsung Electronics America                           | 1                       | 3,678,028                                    | 0.6   | 131,300                  | 0.5   | 2010                           |
| SSB Realty, LLC                                       | 1                       | 3,492,830                                    | 0.6   | 114,519                  | 0.4   | 2009                           |
| Hewlett-Packard Company                               | 2                       | 3,434,968                                    | 0.6   | 166,977                  | 0.6   | 2010(m)                        |
| Lehman Brothers Holdings, Inc.                        | 1                       | 3,420,667                                    | 0.6   | 207,300                  | 0.8   | 2010                           |
| Montefiore Medical Center                             | 5                       | 3,416,583                                    | 0.6   | 163,529                  | 0.6   | 2019(n)                        |
| E*Trade Financial Corporation                         | 1                       | 3,124,160                                    | 0.5   | 106,573                  | 0.4   | 2022                           |
| Wyndham Worldwide Operations                          | 1                       | 3,065,643                                    | 0.5   | 145,983                  | 0.6   | 2011                           |
| Dow Jones & Company, Inc.                             | 1                       | 3,057,773                                    | 0.5   | 92,312                   | 0.3   | 2012                           |
| High Point Safety & Insurance                         | 2                       | 2,702,022                                    | 0.5   | 116,889                  | 0.4   | 2020                           |
| American Home Assurance Co.                           | 2                       | 2,686,732                                    | 0.5   | 131,174                  | 0.5   | 2019(o)                        |
| SunAmerica Asset Management                           | 1                       | 2,680,409                                    | 0.5   | 69,621                   | 0.3   | 2018                           |
| Moody's Investors Service                             | 1                       | 2,671,149                                    | 0.5   | 91,344                   | 0.3   | 2011(p)                        |
| Oppenheimer & Co., Inc.                               | 1                       | 2,636,192                                    | 0.4   | 104,008                  | 0.4   | 2013                           |
| Deloitte & Touche USA, LLP                            | 2                       | 2,623,317                                    | 0.4   | 106,505                  | 0.4   | 2007                           |
| Barr Laboratories, Inc.                               | 2                       | 2,579,597                                    | 0.4   | 109,510                  | 0.4   | 2015(q)                        |
| United States Life Insurance Co.                      | 1                       | 2,520,000                                    | 0.4   | 180,000                  | 0.7   | 2013                           |
| AAA Mid-Atlantic, Inc.                                | 2                       | 2,517,680                                    | 0.4   | 129,784                  | 0.5   | 2022(r)                        |
| New Jersey Turnpike Authority                         | 1                       | 2,455,463                                    | 0.4   | 100,223                  | 0.4   | 2016                           |
| Natixis North America, Inc.                           | 1                       | 2,408,679                                    | 0.4   | 83,629                   | 0.3   | 2021                           |
| Regus Business Centre Corp.                           | 2                       | 2,321,656                                    | 0.4   | 79,805                   | 0.3   | 2011                           |
| 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                           |
| Nextel of New York, Inc.                              | 2                       | 2,093,440                                    | 0.4   | 97,436                   | 0.4   | 2014(s)                        |
| Norris McLaughlin & Marcus, PA                        | 1                       | 2,085,912                                    | 0.4   | 86,913                   | 0.3   | 2017                           |
| Bearingpoint, Inc.                                    | 1                       | 2,065,834                                    | 0.4   | 77,956                   | 0.3   | 2011                           |
| GAB Robins North America Inc.                         | 2                       | 2,049,674                                    | 0.3   | 84,649                   | 0.3   | 2009                           |
| <b>TOTALS</b>   |                         | <b>228,564,078</b>                           | <b>38.6</b>   | <b>9,387,544</b>         | <b>35.1</b>                                       |                                |

See footnotes on subsequent page.

- (a) Annualized base rental revenue is based on actual June, 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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) 19,668 square feet expire in 2007; 390,611 square feet expire in 2009; 26,834 square feet expire in 2014; 26,262 square feet expire in 2016.
- (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) 19,109 square feet expire in 2007; 7,008 square feet expire in 2008; 9,901 square feet expire in 2011; 11,216 square feet expire in 2012; 58,392 square feet expire in 2013; 4,879 square feet expire in 2014; 180,729 square feet expire in 2015; 6,610 square feet expire in 2017.
- (e) 4,783 square feet expire in 2008; 333,145 square feet expire in 2013; 72,385 square feet expire in 2014.
- (f) 152,378 feet expire in 2011; 81,953 square feet expire in 2012.
- (g) 22,785 square feet expire in 2010; 180,072 square feet expire in 2017.
- (h) 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; 53,983 square feet expire in 2017.

- (i) 61,864 square feet expire in 2010; 248,399 square feet expire in 2012.
- (j) 7,485 square feet expire in 2008; 4,451 square feet expire in 2009; 294,189 square feet expire in 2017.
- (k) 46,440 square feet expire in 2009; 57,204 square feet expire in 2010; 77,381 square feet expire in 2012.
- (l) 46,000 square feet expire in 2009; 5,315 square feet expire in 2011; 85,051 square feet expire in 2022.
- (m) 163,857 square feet expire in 2008; 3,120 square feet expire in 2010.
- (n) 33,542 square feet expire in 2009; 5,850 square feet expire in 2014; 7,200 square feet expire in 2016; 30,872 square feet expire in 2017; 86,065 square feet expire in 2019.
- (o) 14,056 square feet expire in 2008; 117,118 square feet expire in 2019.
- (p) 43,344 square feet expire in 2009; 36,193 square feet expire in 2010; 11,807 square feet expire in 2011.
- (q) 20,000 square feet expire in 2008; 89,510 square feet expire in 2015.
- (r) 9,784 square feet expire in 2017; 120,000 square feet expire in 2022.
- (s) 62,436 square feet expire in 2010; 35,000 square feet expire in 2014.

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### 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 July 1, 2007, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2007 through 2009 only):

| Year Of<br>Expiration/<br>Market | Number Of<br>Leases<br>Expiring (a) | Net Rentable<br>Area Subject<br>To Expiring<br>Leases<br>(Sq. Ft.) | Percentage Of<br>Total Leased<br>Square Feet<br>Represented By<br>Expiring<br>Leases (%) | Annualized<br>Base Rental<br>Revenue Under<br>Expiring<br>Leases (\$) (b) | Average Annual<br>Rent Per Net<br>Rentable<br>Square Foot<br>Represented<br>By Expiring<br>Leases (\$) | Percentage Of<br>Annual Base<br>Rent Under<br>Expiring<br>Leases (%) |
|----------------------------------|-------------------------------------|--|--|---|--|--|
| <b>2007 (c)</b>                  |                                     |  |  |   |  |  |
| Northern NJ                      | 29                                  | 252,524  | 0.9  | 6,022,646   | 23.85  | 1.0  |
| Central NJ                       | 18                                  | 135,766  | 0.5  | 3,029,548   | 22.31  | 0.5  |
| Westchester Co., NY              | 33                                  | 119,628  | 0.5  | 2,734,901   | 22.86  | 0.5  |
| Manhattan                        | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia                | 18                                  | 78,516   | 0.3  | 1,607,108   | 20.47  | 0.3  |
| Fairfield, CT                    | 4                                   | 20,388   | 0.1  | 471,927   | 23.15  | 0.1  |
| Washington, DC/MD                | 9                                   | 45,290   | 0.2  | 1,155,045   | 25.50  | 0.2  |
| Rockland Co., NY                 | 1                                   | 11,817   | (d)  | 324,968   | 27.50  | (d)  |
| <b>TOTAL – 2007</b>              | <b>112</b>                          | <b>663,929</b>   | <b>2.5</b>   | <b>15,346,143</b>   | <b>23.11</b>   | <b>2.6</b>   |
| <b>2008</b>                      |                                     |  |  |   |  |  |
| Northern NJ                      | 79                                  | 603,266  | 2.3  | 14,178,311  | 23.50  | 2.4  |
| Central NJ                       | 50                                  | 294,434  | 1.1  | 6,899,030   | 23.43  | 1.2  |
| Westchester Co., NY              | 116                                 | 609,194  | 2.3  | 10,680,715  | 17.53  | 1.8  |
| Manhattan                        | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia                | 66                                  | 628,312  | 2.4  | 9,030,119   | 14.37  | 1.5  |
| Fairfield, CT                    | 3                                   | 10,099   | (d)  | 271,530   | 26.89  | 0.1  |
| Washington, DC/MD                | 25                                  | 294,266  | 1.1  | 6,720,803   | 22.84  | 1.1  |
| Rockland Co., NY                 | 7                                   | 44,580   | 0.2  | 1,168,406   | 26.21  | 0.2  |
| <b>TOTAL – 2008</b>              | <b>346</b>                          | <b>2,484,151</b>   | <b>9.4</b>   | <b>48,948,914</b>   | <b>19.70</b>   | <b>8.3</b>   |
| <b>2009</b>                      |                                     |  |  |   |  |  |
| Northern NJ                      | 113                                 | 1,108,680  | 4.2  | 28,040,275  | 25.29  | 4.8  |
| Central NJ                       | 47                                  | 413,707  | 1.5  | 9,852,214   | 23.81  | 1.7  |
| Westchester Co., NY              | 106                                 | 603,212  | 2.3  | 12,016,941  | 19.92  | 2.0  |
| Manhattan                        | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia                | 43                                  | 260,573  | 1.0  | 4,124,101   | 15.83  | 0.7  |
| Fairfield, CT                    | 11                                  | 38,461   | 0.1  | 824,855   | 21.45  | 0.1  |
| Washington, DC/MD                | 17                                  | 65,549   | 0.3  | 1,671,211   | 25.50  | 0.3  |
| Rockland Co., NY                 | 7                                   | 22,068   | 0.1  | 535,482   | 24.27  | 0.1  |
| <b>TOTAL – 2009</b>              | <b>344</b>                          | <b>2,512,250</b>   | <b>9.5</b>   | <b>57,065,079</b>   | <b>22.71</b>   | <b>9.7</b>   |

Schedule continued, with footnotes, on subsequent page.

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#### All Consolidated Properties (continued)

| Year Of<br>Expiration | Number Of<br>Leases<br>Expiring (a) | Net Rentable<br>Area Subject<br>To Expiring<br>Leases<br>(Sq. Ft.) | Percentage Of<br>Total Leased<br>Square Feet<br>Represented By<br>Expiring<br>Leases (%) | Annualized<br>Base Rental<br>Revenue Under<br>Expiring<br>Leases (\$) (b) | Average Annual<br>Rent Per Net<br>Rentable<br>Square Foot<br>Represented<br>By Expiring<br>Leases (\$) | Percentage Of<br>Annual Base<br>Rent Under<br>Expiring<br>Leases (%) |
|-----------------------|-------------------------------------|--|--|---|--|--|
| 2010                  | 369                                 | 3,218,490  | 12.1   | 73,935,543  | 22.97  | 12.6   |

|                                |              |                       |              |                    |              |              |
|--------------------------------|--------------|-----------------------|--------------|--------------------|--------------|--------------|
| 2011                           | 346          | 3,472,345             | 13.1         | 79,728,149         | 22.96        | 13.5         |
| 2012                           | 252          | 2,817,545             | 10.6         | 65,416,322         | 23.22        | 11.1         |
| 2013                           | 159          | 2,563,750             | 9.7          | 55,916,183         | 21.81        | 9.5          |
| 2014                           | 102          | 1,708,619             | 6.4          | 37,666,191         | 22.04        | 6.4          |
| 2015                           | 64           | 2,188,324             | 8.2          | 47,920,926         | 21.90        | 8.1          |
| 2016                           | 52           | 795,692               | 3.0          | 15,310,375         | 19.24        | 2.6          |
| 2017                           | 71           | 2,174,070             | 8.2          | 50,108,269         | 23.05        | 8.5          |
| 2018 and thereafter            | 63           | 1,925,037             | 7.3          | 41,622,054         | 21.62        | 7.1          |
| <b>Totals/Weighted Average</b> | <b>2,280</b> | <b>26,524,202 (e)</b> | <b>100.0</b> | <b>588,984,148</b> | <b>22.21</b> | <b>100.0</b> |

- (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 June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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 June 30, 2007 aggregating 171,782 square feet and representing annualized rent of \$3,476,034 for which no new leases were signed.
- (d) Represents .05% or less.
- (e) Reconciliation to Company's total net rentable square footage is as follows:

|   |                    |
|---|--------------------|
|   | <u>Square Feet</u> |
| Square footage leased to commercial tenants   | 26,524,202         |
| Square footage used for corporate offices, management offices, building use, retail tenants, food services, other ancillary service tenants and occupancy adjustments | 426,587            |
| Square footage unleased   | <u>2,374,916</u>   |
| Total net rentable square footage (does not include land leases)  | <u>29,325,705</u>  |

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### Office Properties

The following table sets forth a schedule of lease expirations for the office properties beginning July 1, 2007, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2007 through 2009 only):

| Year Of Expiration/<br>Market | Number Of<br>Leases<br>Expiring (a) | Net Rentable<br>Area Subject<br>To Expiring<br>Leases<br>(Sq. Ft.) | Percentage Of<br>Total Leased<br>Square Feet<br>Represented By<br>Expiring<br>Leases (%) | Annualized<br>Base Rental<br>Revenue Under<br>Expiring<br>Leases (\$) (b) | Average Annual<br>Rent Per Net<br>Rentable<br>Square Foot<br>Represented<br>By Expiring<br>Leases (\$) | Percentage Of<br>Annual Base<br>Rent Under<br>Expiring<br>Leases (%) |
|-------------------------------|-------------------------------------|--|--|---|--|--|
| <b>2007 (c)</b>               |                                     |  |  |   |  |  |
| Northern NJ                   | 25                                  | 231,094  | 1.1  | 5,715,513   | 24.73  | 1.1  |
| Central NJ                    | 18                                  | 135,766  | 0.6  | 3,029,548   | 22.31  | 0.6  |
| Westchester Co., NY           | 21                                  | 65,054   | 0.3  | 1,920,913   | 29.53  | 0.4  |
| Manhattan                     | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia             | 15                                  | 64,011   | 0.3  | 1,485,059   | 23.20  | 0.3  |
| Fairfield, CT                 | 3                                   | 13,388   | 0.1  | 387,927   | 28.98  | 0.1  |
| Washington, DC/MD             | 9                                   | 45,290   | 0.2  | 1,155,045   | 25.50  | 0.2  |
| Dutchess/Rockland Co., NY     | 1                                   | 11,817   | (d)  | 324,968   | 27.50  | (d)  |
| <b>TOTAL – 2007</b>           | <b>92</b>                           | <b>566,420</b>   | <b>2.6</b>   | <b>14,018,973</b>   | <b>24.75</b>   | <b>2.7</b>   |
| <b>2008</b>                   |                                     |  |  |   |  |  |
| Northern NJ                   | 75                                  | 548,984  | 2.5  | 13,489,227  | 24.57  | 2.6  |
| Central NJ                    | 44                                  | 266,070  | 1.2  | 6,493,940   | 24.41  | 1.2  |
| Westchester Co., NY           | 59                                  | 192,494  | 0.9  | 5,108,683   | 26.54  | 1.0  |
| Manhattan                     | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia             | 39                                  | 342,634  | 1.6  | 7,122,993   | 20.79  | 1.4  |
| Fairfield, CT                 | 3                                   | 10,099   | —  | 271,530   | 26.89  | —  |
| Washington, DC/MD             | 25                                  | 294,266  | 1.4  | 6,720,803   | 22.84  | 1.3  |
| Dutchess/Rockland Co., NY     | 7                                   | 44,580   | 0.2  | 1,168,406   | 26.21  | 0.2  |
| <b>TOTAL – 2008</b>           | <b>252</b>                          | <b>1,699,127</b>   | <b>7.8</b>   | <b>40,375,582</b>   | <b>23.76</b>   | <b>7.7</b>   |
| <b>2009</b>                   |                                     |  |  |   |  |  |
| Northern NJ                   | 104                                 | 1,039,387  | 4.8  | 27,109,472  | 26.08  | 5.2  |
| Central NJ                    | 42                                  | 378,841  | 1.8  | 9,435,928   | 24.91  | 1.8  |
| Westchester Co., NY           | 63                                  | 251,903  | 1.2  | 6,607,860   | 26.23  | 1.3  |
| Manhattan                     | —                                   | —  | —  | —   | —  | —  |
| Sub. Philadelphia             | 26                                  | 137,865  | 0.6  | 3,113,780   | 22.59  | 0.6  |
| Fairfield, CT                 | 8                                   | 17,886   | 0.1  | 442,631   | 24.75  | (d)  |

|                                |              |                   |              |                    |              |              |
|--------------------------------|--------------|-------------------|--------------|--------------------|--------------|--------------|
| Washington, DC/MD              | 17           | 65,549            | 0.3          | 1,671,211          | 25.50        | 0.3          |
| Dutchess/Rockland Co., NY      | 7            | 22,068            | 0.1          | 535,482            | 24.27        | 0.1          |
| <b>TOTAL – 2009</b>            | <b>267</b>   | <b>1,913,499</b>  | <b>8.9</b>   | <b>48,916,364</b>  | <b>25.56</b> | <b>9.3</b>   |
| 2010                           | 288          | 2,426,779         | 11.2         | 62,612,833         | 25.80        | 11.9         |
| 2011                           | 286          | 2,976,783         | 13.8         | 73,695,497         | 24.76        | 14.0         |
| 2012                           | 186          | 2,237,654         | 10.4         | 57,933,537         | 25.89        | 11.0         |
| 2013                           | 112          | 2,039,840         | 9.5          | 48,508,567         | 23.78        | 9.3          |
| 2014                           | 88           | 1,538,788         | 7.1          | 35,323,211         | 22.96        | 6.7          |
| 2015                           | 51           | 2,026,173         | 9.4          | 45,902,760         | 22.65        | 8.8          |
| 2016                           | 39           | 494,693           | 2.3          | 11,299,119         | 22.84        | 2.2          |
| 2017                           | 58           | 2,012,764         | 9.3          | 47,469,804         | 23.58        | 9.1          |
| 2018 and thereafter            | 52           | 1,653,750         | 7.7          | 38,300,069         | 23.16        | 7.3          |
| <b>Totals/Weighted Average</b> | <b>1,771</b> | <b>21,586,270</b> | <b>100.0</b> | <b>524,356,316</b> | <b>24.29</b> | <b>100.0</b> |

(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 June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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 June 30, 2007 aggregating 133,189 square feet and representing annualized rent of \$3,063,770 for which no new leases were signed.

(d) Represents 0.05% or less.

#### Office/Flex Properties

The following table sets forth a schedule of lease expirations for the office/flex properties beginning July 1, 2007, assuming that none of the tenants exercise renewal or termination options (with a breakdown by market for 2007 through 2009 only):

| Year Of<br>Expiration/<br>Market | Number Of<br>Leases<br>Expiring (a) | Net Rentable<br>Area Subject<br>To Expiring<br>Leases<br>(Sq. Ft.) | Percentage Of<br>Total Leased<br>Square Feet<br>Represented By<br>Expiring<br>Leases (%) | Annualized<br>Base Rental<br>Revenue Under<br>Expiring<br>Leases (\$) (b) | Average Annual<br>Rent Per Net<br>Rentable<br>Square Foot<br>Represented<br>By Expiring<br>Leases (\$) | Percentage Of<br>Annual Base<br>Rent Under<br>Expiring<br>Leases (%) |
|----------------------------------|-------------------------------------|--|--|---|--|--|
| <b>2007 (c)</b>                  |                                     |  |  |   |  |  |
| Northern NJ                      | 4                                   | 21,430   | 0.5  | 307,133   | 14.33  | 0.6  |
| Central NJ                       | —                                   | —  | —  | —   | —  | —  |
| Westchester Co., NY              | 11                                  | 49,624   | 1.1  | 727,858   | 14.67  | 1.2  |
| Sub. Philadelphia                | 3                                   | 14,505   | 0.3  | 122,049   | 8.41   | 0.2  |
| Fairfield, CT                    | 1                                   | 7,000  | 0.1  | 84,000  | 12.00  | 0.1  |
| <b>TOTAL – 2007</b>              | <b>19</b>                           | <b>92,559</b>  | <b>2.0</b>   | <b>1,241,040</b>  | <b>13.41</b>   | <b>2.1</b>   |
| <b>2008</b>                      |                                     |  |  |   |  |  |
| Northern NJ                      | 4                                   | 54,282   | 1.2  | 689,084   | 12.69  | 1.1  |
| Central NJ                       | 6                                   | 28,364   | 0.6  | 405,090   | 14.28  | 0.7  |
| Westchester Co., NY              | 54                                  | 332,257  | 7.3  | 5,166,400   | 15.55  | 8.6  |
| Sub. Philadelphia                | 27                                  | 285,678  | 6.3  | 1,907,126   | 6.68   | 3.2  |
| Fairfield, CT                    | —                                   | —  | —  | —   | —  | —  |
| <b>TOTAL – 2008</b>              | <b>91</b>                           | <b>700,581</b>   | <b>15.4</b>  | <b>8,167,700</b>  | <b>11.66</b>   | <b>13.6</b>  |
| <b>2009</b>                      |                                     |  |  |   |  |  |
| Northern NJ                      | 9                                   | 69,293   | 1.5  | 930,803   | 13.43  | 1.5  |
| Central NJ                       | 5                                   | 34,866   | 0.8  | 416,286   | 11.94  | 0.7  |
| Westchester Co., NY              | 37                                  | 293,026  | 6.4  | 4,422,804   | 15.09  | 7.4  |
| Sub. Philadelphia                | 17                                  | 122,708  | 2.7  | 1,010,321   | 8.23   | 1.7  |
| Fairfield, CT                    | 3                                   | 20,575   | 0.5  | 382,224   | 18.58  | 0.6  |
| <b>TOTAL – 2009</b>              | <b>71</b>                           | <b>540,468</b>   | <b>11.9</b>  | <b>7,162,438</b>  | <b>13.25</b>   | <b>11.9</b>  |
| 2010                             | 80                                  | 763,711  | 16.8   | 11,014,710  | 14.42  | 18.3   |
| 2011                             | 59                                  | 487,962  | 10.8   | 5,937,652   | 12.17  | 9.9  |
| 2012                             | 66                                  | 579,891  | 12.8   | 7,482,785   | 12.90  | 12.4   |
| 2013                             | 38                                  | 452,698  | 10.0   | 6,495,481   | 14.35  | 10.8   |
| 2014                             | 14                                  | 169,831  | 3.7  | 2,342,980   | 13.80  | 3.9  |
| 2015                             | 13                                  | 162,151  | 3.6  | 2,018,166   | 12.45  | 3.3  |

|                                |            |                  |              |                   |              |              |
|--------------------------------|------------|------------------|--------------|-------------------|--------------|--------------|
| 2016                           | 11         | 165,917          | 3.6          | 2,592,895         | 15.63        | 4.3          |
| 2017                           | 13         | 161,306          | 3.6          | 2,638,465         | 16.36        | 4.4          |
| 2018 and thereafter            | 10         | 263,287          | 5.8          | 3,096,985         | 11.76        | 5.1          |
| <b>Totals/Weighted Average</b> | <b>485</b> | <b>4,540,362</b> | <b>100.0</b> | <b>60,191,297</b> | <b>13.26</b> | <b>100.0</b> |

- (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 June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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 June 30, 2007 aggregating 38,593 square feet and representing annualized rent of 412,264 for which no new leases were signed.

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### Industrial/Warehouse Properties

The following table sets forth a schedule of lease expirations for the industrial/warehouse properties beginning July 1, 2007, assuming that none of the tenants exercise renewal or termination options. All industrial/warehouse properties are located in the Westchester County, NY market:

| <u>Year Of Expiration</u>      | <u>Number Of Leases Expiring (a)</u> | <u>Net Rentable Area Subject To Expiring Leases (Sq. Ft.)</u> | <u>Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)</u> | <u>Annualized Base Rental Revenue Under Expiring Leases (\$ (b))</u> | <u>Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)</u> | <u>Percentage Of Annual Base Rent Under Expiring Leases (%)</u> |
|--------------------------------|--------------------------------------|---|--|--|---|---|
| 2007                           | 1                                    | 4,950   | 1.3  | 86,130   | 17.40   | 2.1   |
| 2008                           | 3                                    | 84,443  | 22.2   | 405,632  | 4.80  | 10.1  |
| 2009                           | 5                                    | 48,983  | 12.9   | 791,277  | 16.15   | 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                           | 9                                    | 71,212  | 18.7   | 912,135  | 12.81   | 22.7  |
| 2016                           | 2                                    | 135,082   | 35.5   | 1,418,361  | 10.50   | 35.3  |
| <b>Totals/Weighted Average</b> | <b>22</b>                            | <b>380,270</b>  | <b>100.0</b>   | <b>4,016,535</b>   | <b>10.56</b>  | <b>100.0</b>  |

- (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 June 2007 billings times 12. For leases whose rent commences after July 1, 2007, 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 July 1, 2007, assuming that none of the tenants exercise renewal or termination options. All stand-alone retail properties are located in the Westchester County, NY market:

| <u>Year Of Expiration</u>      | <u>Number Of Leases Expiring (a)</u> | <u>Net Rentable Area Subject To Expiring Leases (Sq. Ft.)</u> | <u>Percentage Of Total Leased Square Feet Represented By Expiring Leases (%)</u> | <u>Annualized Base Rental Revenue Under Expiring Leases (\$ (b))</u> | <u>Average Annual Rent Per Net Rentable Square Foot Represented By Expiring Leases (\$)</u> | <u>Percentage Of Annual Base Rent Under Expiring Leases (%)</u> |
|--------------------------------|--------------------------------------|---|--|--|---|---|
| 2009                           | 1                                    | 9,300   | 53.8   | 195,000  | 20.97   | 46.4  |
| 2018 and thereafter            | 1                                    | 8,000   | 46.2   | 225,000  | 28.13   | 53.6  |
| <b>Totals/Weighted Average</b> | <b>2</b>                             | <b>17,300</b>   | <b>100.0</b>   | <b>420,000</b>   | <b>24.28</b>  | <b>100.0</b>  |

- (a) Includes stand-alone retail property tenants only.
- (b) Annualized base rental revenue is based on actual June 2007 billings times 12. For leases whose rent commences after July 1, 2007 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.

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## MACK - CALI REALTY CORPORATION

## NEWS RELEASE

For Immediate Release

Contact: Barry Lefkowitz  
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**MACK-CALI REALTY CORPORATION  
ANNOUNCES SECOND QUARTER RESULTS**

Edison, New Jersey – August 2, 2007 – Mack-Cali Realty Corporation (NYSE: CLI) today reported its results for the second quarter 2007.

Recent highlights include:

- Reported net income per diluted share of \$0.75;
- Reported funds from operations per diluted share of \$0.88;
- Completed acquisition of interests in 125 Broad Street, a downtown Manhattan office tower, for \$273 million;
- Completed development and acquisition transactions for properties in Hamilton Township, New Jersey;
- Acquired 43 acres of approved land within Capital Office Park in Greenbelt, Maryland, for approximately \$13 million;
- Sold a Greenwich, Connecticut property at 500 West Putnam Avenue for \$56 million;
- Sold 1000 Bridgeport Avenue in Shelton, Connecticut, for approximately \$17 million; and
- Declared \$0.64 per share quarterly common stock dividend.

**FINANCIAL HIGHLIGHTS**

Net income available to common shareholders for the second quarter 2007 equaled \$51.1 million, or \$0.75 per share, versus \$26.6 million, or \$0.43 per share, for the same quarter last year. For the six months ended June 30, 2007, net income available to common shareholders equaled \$69.7 million, or \$1.04 per share, versus \$59.2 million, or \$0.95 per share, for the same period last year.

Funds from operations (FFO) available to common shareholders for the quarter ended June 30, 2007 amounted to \$73.2 million, or \$0.88 per share, versus \$74.4 million, or \$0.95 per share, for the quarter

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ended June 30, 2006. For the six months ended June 30, 2007, FFO available to common shareholders amounted to \$143.4 million, or \$1.74 per share, versus \$155.2 million, or \$2.00 per share, for the same period last year.

Total revenues for the second quarter 2007 increased 9.7 percent to \$200.5 million as compared to \$182.8 million for the same quarter last year. For the six months ended June 30, 2007, total revenues amounted to \$393.8 million, an increase of 17.7 percent over total revenues of \$334.7 million, for the same period last year.

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

The Company had 67,923,941 shares of common stock, 10,000 shares of 8 percent Series C cumulative redeemable perpetual preferred stock (\$25,000 liquidation value per share), and 15,250,592 common operating partnership units outstanding as of June 30, 2007.

The Company had a total of 83,174,533 common shares/common units outstanding at June 30, 2007.

As of June 30, 2007, the Company had total indebtedness of approximately \$2.1 billion, with a weighted average annual interest rate of 6.13 percent. The Company had a total market capitalization of \$5.7 billion and a debt-to-undepreciated assets ratio of 38.2 percent at June 30, 2007. The Company had an interest coverage ratio of 3.3 times for the quarter ended June 30, 2007.

Mitchell E. Hersh, president and chief executive officer, commented, “During the quarter, we continued to refine our portfolio by acquiring and developing properties in our core Northeast markets, and by selling assets that did not meet our strategic goals. In addition, we expanded into the adjacent and rapidly improving downtown Manhattan market, which we believe offers synergies with our Jersey City holdings and substantial upside potential for our Company.”

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

**ACQUISITIONS / DEVELOPMENT**

In May, the Company completed its development and acquisition transactions with AAA Mid-Atlantic for properties in Hamilton Township, New Jersey.

The transactions consist of:

- The Company’s development for AAA of a three-story, 120,000 square-foot class A office building on a 21.6 acre land site at the Company’s Horizon Center Business Park. AAA pre-leased the building, which it will use as an operations center, for 15 years.
- The Company’s acquisition from AAA, for approximately \$8.8 million, of two office buildings totaling 69,232 square feet and land for development of up to an additional 219,000 square feet of commercial space.

The properties and land sites acquired consist of:

- A 33,962 square-foot office building on 9.5 acres of land at 2 South Gold Drive. The site can be redeveloped to accommodate up to a total of 109,000 square feet of commercial space. AAA has leased back 9,784 square feet at the building for 10 years.

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- A 35,270 square-foot office building with 17.5 acres of land at 3 and 5 AAA Drive. The site can be redeveloped to accommodate up to a total of 147,000 square feet of commercial space.
  - A 2.4 acre land parcel at 6 AAA Drive for the development of up to 32,000 square feet of commercial space.

In June, the Company completed its acquisition of commercial condominium interests in 125 Broad Street, a downtown Manhattan office tower, for \$273 million. The commercial condominium units, which are 100 percent leased, were acquired from SL Green Realty Corporation. The units are comprised of floors 2-16, totaling 524,500 square feet of office space, which represents 39.6 percent of the office tower.

Also in June, the Company acquired 43 acres of approved land within Capital Office Park in Greenbelt, Maryland, for approximately \$13 million. The land, which can accommodate the development of up to 602,000 square feet of office space, was acquired pursuant to an option agreement that was part of the Company's February 2006 acquisition of Capital Office Park. The seven-building class A office complex is located on the Capital Beltway northeast of Washington D.C.

#### SALES

In May, the Company sold 1000 Bridgeport Avenue in Shelton, Connecticut, for approximately \$17 million. The 133,000 square-foot class A office building, which is 93.1 percent leased, was sold to a partnership of The Praedium Group LLC and Abbey Road Advisors LLC.

In June, the Company completed the sale of a Greenwich, Connecticut property at 500 West Putnam Avenue to SL Green Realty Corporation for \$56 million. The property, which was the Company's sole asset in Greenwich, is a four-story, 121,500 square-foot office building that is 94.4 percent leased.

More recently, in July, the Company sold two office buildings in Egg Harbor Township, New Jersey, for approximately \$12.5 million. The buildings, which total 80,344 square feet, were sold to an entity controlled by Ron DePietro of Haddonfield, New Jersey. The buildings are located at 100 and 200 Decadon Drive and are 100 percent leased.

#### DIVIDENDS

In June, the Company's Board of Directors declared a cash dividend of \$0.64 per common share (indicating an annual rate of \$2.56 per common share) for the second quarter 2007, which was paid on July 16, 2007 to shareholders of record as of July 5, 2007.

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 1/100<sup>th</sup> of a share of preferred stock) equal to \$0.50 per depositary share for the period April 15, 2007 through July 14, 2007. The dividend was paid on July 16, 2007 to shareholders of record as of July 5, 2007.

#### FINANCING ACTIVITY

In June, the Company announced that its operating partnership, Mack-Cali Realty, L.P., extended and modified its unsecured revolving credit facility with a group of 23 lender banks. The \$600 million

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unsecured facility, which is expandable to \$800 million, was extended for an additional two years and now matures in June 2011. The interest rate was reduced by 10 basis points to LIBOR plus 55 basis points at the BBB/Baa2 pricing level. The interest rate is subject to adjustment, on a sliding scale, based upon the operating partnership's unsecured debt ratings.

#### LEASING INFORMATION

Mack-Cali's consolidated in-service portfolio was 91.9 percent leased at June 30, 2007, as compared to 92.2 percent at March 31, 2007.

For the quarter ended June 30, 2007, the Company executed 135 leases totaling 1,070,555 square feet, consisting of 759,269 square feet of office space, 303,010 square feet of office/flex space and 8,276 square feet of industrial/warehouse space. Of these totals, 380,951 square feet were for new leases and 689,604 square feet were for lease renewals and other tenant retention transactions.

Highlights of the quarter's leasing transactions include:

##### IN NORTHERN NEW JERSEY:

- Daiichi Sankyo, Inc., a pharmaceutical company, signed a 10-year renewal for 89,144 square feet and a 15-year expansion for 96,876 square feet, totaling 186,020 square-feet and representing the entire office building at Two Hilton Court in Parsippany.
- MannKind Corporation, a biopharmaceutical company, signed a transaction totaling 59,446 square feet at 61 South Paramus Road in Paramus. The deal consists of a 33-month expansion of 10,097 square feet, a 16-month expansion of 34,197 square feet and a 16-month renewal of 15,152 square feet. 61 South Paramus Road is a 269,191 square-foot office building that is 99.9 percent leased.

##### IN CENTRAL NEW JERSEY:

- Telecom services provider Sonus Networks, Inc. signed a new, eight-year lease for 28,462 square feet at 3 Paragon Way in Freehold. The 66,898 square-foot office building, located at Monmouth Executive Park, is 100 percent leased.

##### IN WESTCHESTER COUNTY, NEW YORK:

- MetroPCS New York, LLC, a division of wireless provider MetroPCS Communications, Inc., signed a new, 10-year lease for 34,870 square feet at 5 Skyline Drive in

Hawthorne. This 124,022 square-foot office/flex building is 99.3 percent leased.

- Also at 5 Skyline Drive, Conri Services, Inc., a fulfillment distributor, signed a new, 11-year lease for 21,222 square feet. Conri Services also completed a 29-month renewal for 4,222 square feet at 250 Clearbrook Road in Elmsford. 250 Clearbrook Road is a 155,000 square-foot office/flex building that is 97.3 percent leased.
- Publishers Circulation Fulfillment, Inc., a provider of distribution outsourcing, signed a transaction totaling 24,112 square feet at 300 Executive Boulevard in Elmsford. The deal represents a six-year expansion for 5,712 square feet and an 18-month renewal of 18,400 square feet. 300 Executive Boulevard is a 60,000 square-foot office/flex building that is 63 percent leased.

#### IN SUBURBAN PHILADELPHIA:

- Sussex Wine Merchants, a wine distributor, signed a five-year renewal for 19,075 square feet at 50 Twosome Drive in Moorestown. The 34,075 square-foot office/flex building is 100 percent leased.

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#### IN WASHINGTON, D.C.:

- The General Services Administration (GSA) signed a 100-month expansion for 26,274 square feet at 1400 L Street N.W. in Washington. This expansion brings the GSA's presence at 1400 L Street to 140,560 square feet in this fully-leased, 159,000 square-foot office building.

Included in the Company's Supplemental Operating and Financial Data for the second quarter 2007 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/2nd.quarter.sp.07.pdf>

#### **ADDITIONAL INFORMATION**

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

|  | <u>Full Year<br/>2007 Range</u> |
|--|---------------------------------|
| Net income available to common shareholders            | \$1.50 - \$1.58                 |
| Add: Real estate-related depreciation and amortization | 2.39                            |
| Deduct: Gain on sale of rental property                | (0.47)                          |
| Funds from operations available to common shareholders | <u>\$3.42 - \$3.50</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, August 2, 2007 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=1600707](http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=CLI&script=1010&item_id=1600707)

The live conference call is also accessible by calling (913) 312-1230 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 August 2, 2007 through August 9, 2007.

A replay of the call will also be accessible during the same time period by calling (719) 457-0820 and using the pass code 5232864.

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

Second Quarter 2007 Form 10-Q:  
<http://www.mack-cali.com/graphics/shareholders/pdfs/2nd.quarter.10q.07.pdf>

Second Quarter 2007 Supplemental Operating and Financial Data:  
<http://www.mack-cali.com/graphics/shareholders/pdfs/2nd.quarter.sp.07.pdf>

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In addition, these items are available upon request from:  
Mack-Cali Investor Relations Dept.  
343 Thornall Street, Edison, New Jersey 08837-2206  
(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 300 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 34.7 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,200 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 heading "Disclosure Regarding Forward-Looking Statements" and "Risk Factors" in the Company's Annual Reports on Form 10-K, as may be supplemented or amended by the Company's Quarterly Reports on Form 10-Q, 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<br>June 30, |                  |
|--|---------------------------|------------------|
|  | 2007                      | 2006             |
| <b>Revenues</b>  |                           |                  |
| Base rents   | \$ 142,482                | \$ 133,333       |
| Escalations and recoveries from tenants  | 25,766                    | 23,272           |
| Construction services  | 23,469                    | 13,049           |
| Real estate services   | 4,959                     | 7,734            |
| Other income   | 3,854                     | 5,401            |
| Total revenues   | <u>200,530</u>            | <u>182,789</u>   |
| <b>Expenses</b>  |                           |                  |
| Real estate taxes  | 23,852                    | 21,162           |
| Utilities  | 15,329                    | 13,214           |
| Operating services   | 27,348                    | 25,880           |
| Direct construction costs  | 22,634                    | 12,579           |
| General and administrative   | 12,870                    | 11,846           |
| Depreciation and amortization  | 43,823                    | 39,476           |
| Total expenses   | <u>145,856</u>            | <u>124,157</u>   |
| Operating income   | <u>54,674</u>             | <u>58,632</u>    |
| <b>Other (Expense) Income</b>  |                           |                  |
| Interest expense   | (31,333)                  | (33,034)         |
| Interest and other investment income   | 1,571                     | 399              |
| Equity in earnings (loss) of unconsolidated joint ventures                           | (1,696)                   | (846)            |
| Minority interest in consolidated joint ventures                                     | 214                       | 30               |
| Total other (expense) income   | <u>(31,244)</u>           | <u>(33,451)</u>  |
| Income from continuing operations before Minority interest in Operating Partnership  | 23,430                    | 25,181           |
| Minority interest in Operating Partnership   | (4,197)                   | (4,950)          |
| Income from continuing operations  | <u>19,233</u>             | <u>20,231</u>    |
| Discontinued operations (net of minority interest):                                  |                           |                  |
| Income from discontinued operations  | 598                       | 2,982            |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | 31,747                    | 3,921            |
| Total discontinued operations, net   | <u>32,345</u>             | <u>6,903</u>     |
| Net income   | <u>51,578</u>             | <u>27,134</u>    |
| Preferred stock dividends  | (500)                     | (500)            |
| Net income available to common shareholders  | <u>\$ 51,078</u>          | <u>\$ 26,634</u> |
| <b>PER SHARE DATA:</b>   |                           |                  |
| Basic earnings per common share  | \$ 0.75                   | \$ 0.43          |
| Diluted earnings per common share  | \$ 0.75                   | \$ 0.43          |
| Dividends declared per common share  | \$ 0.64                   | \$ 0.63          |
| Basic weighted average shares outstanding  | <u>67,799</u>             | <u>62,182</u>    |
| Diluted weighted average shares outstanding  | <u>83,193</u>             | <u>78,067</u>    |

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

|  | Six Months Ended<br>June 30, |                  |
|--|------------------------------|------------------|
|  | 2007                         | 2006             |
| <b>Revenues</b>  |                              |                  |
| Base rents   | \$ 282,039                   | \$ 260,839       |
| Escalations and recoveries from tenants  | 51,986                       | 44,243           |
| Construction services  | 45,810                       | 13,049           |
| Real estate services   | 7,700                        | 8,363            |
| Other income   | 6,252                        | 8,184            |
| Total revenues   | <u>393,787</u>               | <u>334,678</u>   |
| <b>Expenses</b>  |                              |                  |
| Real estate taxes  | 47,322                       | 41,932           |
| Utilities  | 32,874                       | 27,670           |
| Operating services   | 51,974                       | 46,036           |
| Direct construction costs  | 43,545                       | 12,579           |
| General and administrative   | 23,940                       | 20,621           |
| Depreciation and amortization  | 85,274                       | 75,955           |
| Total expenses   | <u>284,929</u>               | <u>224,793</u>   |
| Operating income   | 108,858                      | 109,885          |
| <b>Other (Expense) Income</b>  |                              |                  |
| Interest expense   | (62,269)                     | (64,109)         |
| Interest and other investment income   | 3,188                        | 1,845            |
| Equity in earnings (loss) of unconsolidated joint ventures                           | (3,927)                      | (599)            |
| Minority interest in consolidated joint ventures                                     | 441                          | 30               |
| Gain on sale of investment in marketable securities                                  | —                            | 15,060           |
| Total other (expense) income   | <u>(62,567)</u>              | <u>(47,773)</u>  |
| Income from continuing operations before Minority interest in Operating Partnership  | 46,291                       | 62,112           |
| Minority interest in Operating Partnership   | (8,418)                      | (11,790)         |
| Income from continuing operations  | 37,873                       | 50,322           |
| Discontinued operations (net of minority interest):                                  |                              |                  |
| Income from discontinued operations  | 1,037                        | 5,988            |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | 31,747                       | 3,921            |
| Total discontinued operations, net   | <u>32,784</u>                | <u>9,909</u>     |
| Net income   | 70,657                       | 60,231           |
| Preferred stock dividends  | (1,000)                      | (1,000)          |
| Net income available to common shareholders  | <u>\$ 69,657</u>             | <u>\$ 59,231</u> |
| <b>PER SHARE DATA:</b>   |                              |                  |
| Basic earnings per common share  | \$ 1.04                      | \$ 0.95          |
| Diluted earnings per common share  | \$ 1.04                      | \$ 0.95          |
| Dividends declared per common share  | \$ 1.28                      | \$ 1.26          |
| Basic weighted average shares outstanding  | 66,753                       | 62,085           |
| Diluted weighted average shares outstanding  | <u>82,220</u>                | <u>77,359</u>    |

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

|  | Quarter Ended<br>June 30, |                  |
|--|---------------------------|------------------|
|  | 2007                      | 2006             |
| Net income available to common shareholders  | \$ 51,078                 | \$ 26,634        |
| Add: Minority interest in Operating Partnership  | 4,197                     | 4,950            |
| Minority interest in discontinued operations   | 7,247                     | 1,732            |
| Real estate-related depreciation and amortization on continuing operations (1)   | 49,569                    | 42,852           |
| Real estate-related depreciation and amortization on discontinued operations   | 18                        | 3,156            |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (38,860)                  | (4,905)          |
| <b>Funds from operations available to common shareholders (2)</b>  | <u>\$ 73,249</u>          | <u>\$ 74,419</u> |
| Diluted weighted average shares/units outstanding (3)  | 83,193                    | 78,067           |
| Funds from operations per share/unit – diluted   | \$ 0.88                   | \$ 0.95          |
| Dividends declared per common share  | \$ 0.64                   | \$ 0.63          |
| <b>Dividend payout ratio:</b>  |                           |                  |
| Funds from operations-diluted  | 72.69%                    | 66.09%           |
| <b>Supplemental Information:</b>   |                           |                  |

|   |    |        |           |
|---|----|--------|-----------|
| Non-incremental revenue generating capital expenditures:        |    |        |           |
| Building improvements   | \$ | 2,648  | \$ 2,436  |
| Tenant improvements and leasing commissions                     | \$ | 10,049 | \$ 18,706 |
| Straight-line rent adjustments (4)                              | \$ | 2,531  | \$ 6,208  |
| Amortization of (above)/below market lease intangibles, net (5) | \$ | 1,024  | \$ 361    |

- (1) Includes the Company's share from unconsolidated joint ventures of \$5,905 and \$3,518 for 2007 and 2006, 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 units into common shares, (15,191 shares in 2007 and 15,599 shares in 2006), plus dilutive Common Stock Equivalents (i.e. stock options).
- (4) Includes the Company's share from unconsolidated joint ventures of \$649 and \$932 for 2007 and 2006, respectively.
- (5) Includes the Company's share from unconsolidated joint ventures of \$399 and \$0 for 2007 and 2006, respectively

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

|  | Six Months Ended<br>June 30, |                   |
|--|------------------------------|-------------------|
|  | 2007                         | 2006              |
| Net income available to common shareholders  | \$ 69,657                    | \$ 59,231         |
| Add: Minority interest in Operating Partnership  | 8,418                        | 11,790            |
| Minority interest in discontinued operations   | 7,349                        | 2,427             |
| Real estate-related depreciation and amortization on continuing operations (1)   | 96,375                       | 80,323            |
| Real estate-related depreciation and amortization on discontinued operations   | 424                          | 6,319             |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (38,860)                     | (4,905)           |
| <b>Funds from operations available to common shareholders (2)</b>  | <b>\$ 143,363</b>            | <b>\$ 155,185</b> |
| Diluted weighted average shares/units outstanding (3)  | 82,220                       | 77,359            |
| Funds from operations per share/unit – diluted   | \$ 1.74                      | \$ 2.00           |
| Dividends declared per common share  | \$ 1.28                      | \$ 1.26           |
| <b>Dividend payout ratio:</b>  |                              |                   |
| Funds from operations-diluted  | 73.41%                       | 62.81%            |

**Supplemental Information:**

|   |    |        |           |
|---|----|--------|-----------|
| Non-incremental revenue generating capital expenditures:        |    |        |           |
| Building improvements   | \$ | 5,137  | \$ 4,391  |
| Tenant improvements and leasing commissions                     | \$ | 21,822 | \$ 30,676 |
| Straight-line rent adjustments (4)                              | \$ | 7,240  | \$ 12,601 |
| Amortization of (above)/below market lease intangibles, net (5) | \$ | 1,591  | \$ 1,025  |

- (1) Includes the Company's share from unconsolidated joint ventures of \$11,415 and \$4,657 for 2007 and 2006, 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 units into common shares, (15,238 shares in 2007 and 14,968 shares in 2006), plus dilutive Common Stock Equivalents (i.e. stock options).
- (4) Includes the Company's share from unconsolidated joint ventures of \$1,446 and \$1,141 for 2007 and 2006, respectively.
- (5) Includes the Company's share from unconsolidated joint ventures of \$671 and \$0 for 2007 and 2006, 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<br>June 30, |                |
|--|---------------------------|----------------|
|  | 2007                      | 2006           |
| Net income available to common shareholders  | \$ 0.75                   | \$ 0.43        |
| Add: Real estate-related depreciation and amortization on continuing operations (1)                                    | 0.60                      | 0.55           |
| Real estate-related depreciation and amortization on discontinued operations   | —                         | 0.04           |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (0.47)                    | (0.06)         |
| Minority interest / rounding adjustment  | —                         | (0.01)         |
| <b>Funds from operations available to common shareholders (2)</b>  | <b>\$ 0.88</b>            | <b>\$ 0.95</b> |
| Diluted weighted average shares/units outstanding (3)  | 83,193                    | 78,067         |

- (1) Includes the Company's share from unconsolidated joint ventures of \$0.07 and \$0.05 for 2007 and 2006, 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 units into common shares (15,191 shares in 2007 and 15,599 shares in 2006), 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)*

|  | Six Months Ended<br>June 30, |                |
|--|------------------------------|----------------|
|  | 2007                         | 2006           |
| Net income available to common shareholders  | \$ 1.04                      | \$ 0.95        |
| Add: Real estate-related depreciation and amortization on continuing operations (1)                                    | 1.17                         | 1.04           |
| Real estate-related depreciation and amortization on discontinued operations   | 0.01                         | 0.08           |
| Deduct: Discontinued operations – Realized gains (losses) and unrealized losses on disposition of rental property, net | (0.47)                       | (0.06)         |
| Minority interest / rounding adjustment  | (0.01)                       | (0.01)         |
| <b>Funds from operations available to common shareholders (2)</b>  | <b>\$ 1.74</b>               | <b>\$ 2.00</b> |
| Diluted weighted average shares/units outstanding (3)  | 82,220                       | 77,359         |

- (1) Includes the Company's share from unconsolidated joint ventures of \$0.14 and \$0.06 for 2007 and 2006, 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 units into common shares (15,238 shares in 2007 and 14,968 shares in 2006), plus dilutive Common Stock Equivalents (i.e. stock options).

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

|   | June 30,<br>2007    | December 31,<br>2006 |
|---|---------------------|----------------------|
| <b>ASSETS:</b>  |                     |                      |
| Rental property   |                     |                      |
| Land and leasehold interests  | \$ 722,777          | \$ 659,169           |
| Buildings and improvements  | 3,736,777           | 3,549,699            |
| Tenant improvements   | 365,469             | 356,495              |
| Furniture, fixtures and equipment   | 8,496               | 8,224                |
|   | 4,833,519           | 4,573,587            |
| Less-accumulated deprec. & amort.   | (833,492)           | (796,793)            |
|   | 4,000,027           | 3,776,794            |
| Rental property held for sale, net  | 5,826               | —                    |
| Net investment in rental property   | 4,005,853           | 3,776,794            |
| Cash and cash equivalents   | 18,903              | 101,223              |
| Investments in unconsolidated joint ventures  | 181,059             | 160,301              |
| Unbilled rents receivable, net  | 106,215             | 100,847              |
| Deferred charges and other assets, net  | 261,965             | 240,637              |
| Restricted cash   | 16,795              | 15,448               |
| Accounts receivable, net  | 29,432              | 27,639               |
| <b>Total assets</b>   | <b>\$ 4,620,222</b> | <b>\$ 4,422,889</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>  |                     |                      |
| Senior unsecured notes  | \$ 1,632,014        | \$ 1,631,482         |
| Revolving credit facility   | 115,000             | 145,000              |
| Mortgages, loans payable and other obligations  | 336,534             | 383,477              |
| Dividends and distributions payable   | 53,689              | 50,591               |
| Accounts payable, accrued expenses and other liabilities  | 146,689             | 122,134              |
| Rents received in advance and security deposits   | 51,116              | 45,972               |
| Accrued interest payable  | 33,832              | 34,106               |
| Total liabilities   | 2,368,874           | 2,412,762            |
| Minority interests:   |                     |                      |
| Operating Partnership   | 475,226             | 480,103              |
| Consolidated joint ventures   | 1,555               | 2,117                |
| Total minority interests  | 476,781             | 482,220              |
| Commitments and contingencies   |                     |                      |
| <b>Stockholders' equity:</b>  |                     |                      |
| 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, 67,923,941 and 62,925,191 shares outstanding                     | 679                 | 629                  |
| Additional paid-in capital  | 1,971,901           | 1,708,053            |
| Dividends in excess of net earnings   | (223,013)           | (205,775)            |
| Total stockholders' equity  | 1,774,567           | 1,527,907            |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 4,620,222</b> | <b>\$ 4,422,889</b>  |

