

February 21, 2018



Mack-Cali Realty Corporation Reports Fourth Quarter And Full Year 2017 Results

JERSEY CITY, N.J., Feb. 21, 2018 /PRNewswire/ -- Mack-Cali Realty Corporation (NYSE: CLI) today reported its results for the fourth quarter and full year 2017.

MACK-CALI®

FOURTH QUARTER 2017 HIGHLIGHTS

- Reported net income (loss) of \$(0.01) per diluted share for the quarter;
- Achieved Funds from Operations and Core Funds from Operations per diluted share of \$0.50 for the quarter;
- Leased 439,070 square feet of office space; finished at 87.6% leased in its Core portfolio;
- Grew office rental rates by 9.6% on a cash basis and 17.9% on a GAAP basis;
- Roseland stabilized portfolio was 96.6% leased at December 31, 2017, as compared to 97.4% for the third quarter; 2017 lease-up properties containing 1,162 units currently 96.7% leased;
- Completed property sales of \$56 million in the fourth quarter; \$528 million full year (\$416 million of property sales and \$112 million of J.V. interests); and
- Declared \$0.20 per share quarterly common stock dividend.

Michael J. DeMarco, Chief Executive Officer, commented "We made considerable progress during 2017 in repositioning our office portfolio and converting subordinate interests in our Roseland residential portfolio into majority owned positions. Our office disposition activity has allowed us to further streamline property operations and deepen our focus on core markets. As Roseland's developments are put into service, we anticipate its contribution to operating income will grow meaningfully over the next three years. While leasing in the fourth quarter did not meet our expectations, for 2018 the Company is laser focused on waterfront leasing and executing an additional \$400 million of non-core dispositions. Our approach positions Mack-Cali for NAV accretion and stronger earnings growth potential in the years ahead."

FINANCIAL HIGHLIGHTS

* All per share amounts presented below are on a diluted basis.

Net income (loss) available to common shareholders for the quarter ended December 31, 2017 amounted to \$2.6 million, or \$(0.01) per share, as compared to \$15.2 million, or \$0.17

per share, for the quarter ended December 31, 2016. For the year ended December 31, 2017, net income available to common shareholders equaled \$23.2 million, or \$0.06 per share, as compared to \$117.2 million, or \$1.30 per share, for the same period last year.

Funds from operations (FFO) for the quarter ended December 31, 2017 amounted to \$50.0 million, or \$0.50 per share, as compared to \$32.8 million, or \$0.33 per share, for the quarter ended December 31, 2016. For the year ended December 31, 2017, FFO equaled \$224.2 million, or \$2.23 per share, as compared to \$205 million, or \$2.04 per share, for the same period last year.

For the fourth quarter 2017, Core FFO was \$0.50 per share, as compared to \$0.56 for the same period last year. For the full year 2017, Core FFO was \$2.23 per share versus \$2.15 for the same period last year.

OPERATING HIGHLIGHTS

Mack-Cali's consolidated Core office properties were 87.6 percent leased at December 31, 2017, as compared to 90.1 percent leased at September 30, 2017 and 90.6 percent leased at December 31, 2016.

Fourth quarter 2017 same store GAAP revenues for the office portfolio declined by 2.5 percent while same store GAAP NOI fell by 3.5 percent. For the year ended December 31, 2017, same store GAAP revenues increased by 2.2 percent driven by the ability to mark rents to market to partially offset the loss of office tenants in our waterfront properties. Same store GAAP NOI for the year ended December 31, 2017 improved by 2.6 percent as the Company began to benefit from operating efficiencies resulting from existing non-core office assets. Fourth quarter 2017 same store cash revenues for the office portfolio declined by 3.4 percent while same store cash NOI fell by 5.0 percent. For the year ended December 31, 2017, same store cash revenues increased by 3.6 percent. Same store cash NOI for the year ended December 31, 2017 improved by 5.0 percent.

For the quarter ended December 31, 2017, the Company executed 38 leases at its consolidated in-service commercial portfolio totaling 439,070 square feet. Of these totals, seven leases for 80,087 square feet (18 percent) were for new leases and 31 leases for 358,983 square feet (82 percent) were for lease renewals and other tenant retention transactions. Rental rate roll up for fourth quarter 2017 transactions was 9.6 percent on a cash basis and 17.9 percent on a GAAP basis.

The Company's residential same store portfolio increased net operating income by 6.0 percent for the fourth quarter and 4.2 percent for the year. The same store portfolio is comprised of 3,528 units that were 96.6 percent leased at year-end. The Company's 2017 lease-up properties, which consist of Urby Harborside, Chase II at Overlook Ridge and Quarry Place at Tuckahoe, leased at an accelerated pace. Collectively, the properties, which comprise 1,162 units, are currently 96.7 percent leased.

ACQUISITIONS AND DISPOSITIONS/TRANSACTION ACTIVITY

The Company continued its repositioning efforts in the fourth quarter with the sale of three properties for \$56 million. Total disposition activity for the year totaled \$528 million. Additional dispositions of approximately \$400 million are planned for 2018 and expected to

be completed by the end of the second quarter. This will conclude the Company's major disposition program with future sales occurring on a select one-off basis.

In the fourth quarter, the Company completed the acquisition of 25 Christopher Columbus, a residential development site on the Jersey City waterfront, for \$53 million using the proceeds from the dispositions as part of a 1031 exchange. Development of 25 Christopher Columbus is expected to begin in 2018; the property when completed, will comprise 718 units.

2017 office property acquisitions totaled \$395 million. In 2017, the Company also acquired residential development sites, including a mortgage note, totaling \$212 million. The Company also acquired a multifamily property valued at \$315 million using Rockpoint Capital and assuming a mortgage of \$165 million. All of the acquisitions were funded in a tax efficient manner and with proceeds from the Company's disposition program and Rockpoint's capital.

DEVELOPMENT ACTIVITY

During the quarter, Roseland broke ground on Riverwalk C, a 40/60 waterfront joint venture project with Prudential. When completed, Riverwalk will contain 360 units. The \$187 million project is being funded with a \$112 construction loan and \$75 million of equity from the JV. Mack-Cali's equity contribution totals \$30 million.

BALANCE SHEET/CAPITAL MARKETS

As of December 31, 2017, the Company had a debt-to-undepreciated assets ratio of 46.5 percent compared to 46.2 percent at September 30, 2017 and 41.6 percent at December 31, 2016. At year end, the Company's weighted average cost of debt was 3.9 percent and the weighted average maturity on its debt was 4.0 years. Net debt to adjusted EBITDA for the quarter ended December 31, 2017 was 9.3x compared to 8.0x for the quarter ended September 30, 2017. The Company had an interest coverage ratio of 3.3x for the quarter ended December 31, 2017 compared to 3.4x for the quarter ended September 30, 2017 and 3.5x for the quarter ended December 31, 2016.

DIVIDENDS

In December 2017, the Company's Board of Directors declared a quarterly cash dividend of \$0.20 per common share (indicating an annual rate of \$0.80 per common share) for the fourth quarter 2017, which was paid on January 12, 2018 to shareholders of record as of January 3, 2018. The Company's Core FFO dividend payout ratio for the quarter was 40.0 percent.

SUBSEQUENT EVENTS

On January 29, 2018, the Company announced the appointment of David J. Smetana as chief financial officer and Nicholas Hilton as executive vice president of leasing of the General Partner. Mr. Smetana will begin to perform his duties as chief financial officer and Anthony Krug shall cease to serve as chief financial officer immediately following the filing of the Annual Report on Form 10-K for the year ended December 31, 2017. Mr. Krug will remain an employee of the General Partner and will provide transition services through March 31, 2018. Mr. Hilton's employment commenced on February 12, 2018 following the

departure of Christopher DeLorenzo.

WATERFRONT MOVE-OUTS

Mack-Cali is expecting approximately 889,000 square feet of tenant move-outs in its Waterfront portfolio throughout 2018. The key tenants driving the move-outs and resulting vacancy on the Waterfront are as follows: Allergan lease expired for 215,000 square feet on December 31, 2017, Wiley has 120,000 square feet expiring throughout 2018, AIG has 271,000 square feet expiring in the second quarter of 2018, SunAmerica has 70,000 square feet expiring in the second quarter of 2018, ICap has 90,000 square feet expiring in the third quarter of 2018 and the Hay Group has 24,000 square feet expiring in the third quarter of 2018. Deutsche Bank previously vacated 285,000 square feet which occurred in the fourth quarter of 2017.

GUIDANCE/OUTLOOK

The Company is providing projected initial net income and FFO per diluted share guidance for the full year 2018, as follows:

| | Full Year 2018 Range |
|--|---------------------------------|
| Net income available to common shareholders | \$ 0.02 - \$ 0.12 |
| <u>Add:</u> | |
| Real estate-related depreciation and amortization on continuing operations | 1.78 |
| Funds from operations | \$ 1.80 - \$ 1.90 |

Full Year 2018 Guidance Assumes:

| | <i>\$ in millions</i> | |
|---|-----------------------|-------------|
| | <u>Low</u> | <u>High</u> |
| Office Occupancy (year-end % leased) | 84% | 86% |
| Office Same Store GAAP NOI Growth Post Sale Portfolio | (18)% | (16)% |
| Office Same Store Cash NOI Growth Post Sale Portfolio | (17)% | (15)% |
| Multifamily Same Store NOI Growth Post Sale Portfolio | 3% | 5% |
| Straight-Line Rent Adjustment | \$10 | \$14 |
| FAS 141 Mark-to-Market Rent Adjustment | \$5 | \$6 |
| Dispositions | \$375 | \$425 |
| Base Building CapEx | \$13 | \$15 |
| Leasing CapEx | \$50 | \$70 |
| G&A | \$45 | \$45 |
| Interest Expense | \$83 | \$85 |

2017 to 2018 FFO per share Guidance roll-forward:

| | <u>Low</u> | <u>High</u> |
|---|---------------|---------------|
| 2017 Core FFO Per Diluted Share | \$2.23 | \$2.23 |
| <i>Same-Store Operating NOI:</i> | | |
| Waterfront | (0.39) | (0.37) |
| Other Office / Flex | (0.01) | - |
| Residential | <u>0.01</u> | <u>0.01</u> |
| Subtotal | (0.39) | (0.36) |
| <i>Investment Activity NOI:</i> | | |
| Multifamily Development | 0.23 | 0.25 |
| 2017 Office Dispositions | (0.25) | (0.25) |
| 2017 Office Acquisitions | - | 0.01 |
| 2017 Multifamily Acquisitions | 0.04 | 0.04 |
| 2018 Office Dispositions | (0.17) | (0.11) |
| 2018 Multifamily Dispositions | <u>(0.01)</u> | <u>-</u> |
| Subtotal | (0.16) | (0.06) |
| <i>Corporate</i> | | |
| G&A | 0.06 | 0.06 |
| Interest Expense | 0.10 | 0.08 |
| Rockpoint Distributions | (0.03) | (0.05) |
| Joint Ventures/Real Estate Services/Other | <u>(0.01)</u> | <u>-</u> |
| Subtotal | 0.12 | 0.09 |
| 2018 Core FFO Guidance Per Diluted Share | \$1.80 | \$1.90 |

This guidance reflects 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.

CONFERENCE CALL/SUPPLEMENTAL INFORMATION

An earnings conference call with management is scheduled for February 22, 2018 at 10:30 a.m. Eastern Time, which will be broadcast live via the Internet at: <https://edge.media-server.com/m6/p/3qrojvvg>

The live conference call is also accessible by calling (323) 794-2551 and requesting the Mack-Cali conference call.

The conference call will be rebroadcast on Mack-Cali's website at <http://investors.mack-cali.com/corporate-profile> beginning at 12:00 p.m. Eastern Time on February 22, 2018.

A replay of the call will also be accessible February 22, 2018 through March 1, 2018 by calling (719) 457-0820 and using the pass code, 2170359.

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

2017 Form 10-K:

<http://investors.mack-cali.com/sec-filings>

Fourth Quarter 2017 Supplemental Operating and Financial Data:

<http://investors.mack-cali.com/quarterly-supplementals>

In addition, these items are available upon request from:

Mack-Cali Investor Relations Department - Deidre Crockett

Harborside 3, 210 Hudson St., Ste. 400, Jersey City, New Jersey 07311

(732) 590-1025

INFORMATION ABOUT FFO

Funds from operations ("FFO") is defined as net income (loss) before noncontrolling interests of unitholders, computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable rental property transactions, and impairments related to depreciable rental property, 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 as FFO per share excludes the effect of depreciation, gains (or losses) from sales of properties and impairments related to depreciable rental property (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 available to common shareholders 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.

Core FFO is defined as FFO, as adjusted for certain items to facilitate comparative measurement of the Company's performance over time. Core FFO is presented solely as supplemental disclosure that the Company's management believes provides useful information to investors and analysts of its results, after adjusting for certain items to facilitate

comparability of its performance from period to period. Core FFO is a non-GAAP financial measure that is not intended to represent cash flow and is not indicative of cash flows provided by operating activities as determined in accordance with GAAP. As there is not a generally accepted definition established for Core FFO, the Company's measures of Core FFO may not be comparable to the Core FFO reported by other REITs. A reconciliation of net income per share to Core FFO in dollars and per share is included in the financial tables accompanying this press release.

ABOUT THE COMPANY

One of the country's leading Real Estate Investment Trusts (REITs), Mack-Cali Realty Corporation is an owner, manager and developer of premier office and multifamily properties in select waterfront and transit-oriented markets throughout the Northeast. Mack-Cali is headquartered in Jersey City, New Jersey, and is the visionary behind the city's flourishing waterfront, where the company is leading development, improvement and place-making initiatives for Harborside, a master-planned destination comprised of class A office, luxury apartments, diverse retail and restaurants, and public spaces.

A fully-integrated and self-managed company, Mack-Cali has provided world-class management, leasing, and development services throughout New Jersey and the surrounding region for two decades. By regularly investing in its properties and innovative lifestyle amenity packages, Mack-Cali creates environments that empower tenants and residents to reimagine the way they work and live.

For more information on Mack-Cali Realty Corporation and its properties, visit www.mack-cali.com.

The information in this press release must be read in conjunction with, and is modified in its entirety by, the Annual Report on Form 10-K (the "10-K") 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-K, the footnotes thereto and the limitations set forth therein. Investors may not rely on the press release without reference to the 10-K and the Public Filings.

We consider portions of this report, including the documents incorporated by reference, to be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. We intend 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," "potential," "projected," "should," "expect," "anticipate," "estimate," "target," "continue" or comparable terminology. Forward-looking statements are inherently subject to risks and uncertainties, many of which we cannot predict with accuracy and some of which we might not even anticipate. Although we believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions at the time made, we 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.

Contacts: Michael J. DeMarco

Chief Executive Officer
(732) 590-1589

mdemarco@mack-cali.com

Anthony Krug

Chief Financial Officer
(732) 590-1030

tkrug@mack-cali.com

Deidre Crockett

Senior Vice President, Corporate
Communications
and Investor Relations

(732) 590-1025

investorrelations@mack-cali.com

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

| | Three Months Ended | | Year Ended | |
|--|--------------------|------------------|------------------|-------------------|
| | December 31, | | December 31, | |
| REVENUES | 2017 | 2016 | 2017 | 2016 |
| Base rents | \$ 118,419 | \$ 126,744 | \$ 501,334 | \$ 506,877 |
| Escalations and recoveries from tenants | 11,312 | 15,257 | 58,767 | 60,505 |
| Real estate services | 5,149 | 6,658 | 23,129 | 26,589 |
| Parking income | 5,223 | 3,499 | 20,270 | 13,630 |
| Other income | 3,426 | 1,573 | 12,700 | 5,797 |
| Total revenues | 143,529 | 153,731 | 616,200 | 613,398 |
| EXPENSES | | | | |
| Real estate taxes | 17,755 | 21,129 | 81,364 | 87,379 |
| Utilities | 9,347 | 10,966 | 42,598 | 49,624 |
| Operating services | 26,884 | 27,645 | 107,379 | 103,954 |
| Real estate services expenses | 5,018 | 6,842 | 23,394 | 26,260 |
| General and administrative | 13,726 | 12,968 | 50,949 | 51,979 |
| Acquisition-related costs | - | 26 | - | 2,880 |
| Depreciation and amortization | 47,401 | 52,045 | 205,169 | 186,684 |
| Total expenses | 120,131 | 131,621 | 510,853 | 508,760 |
| Operating income | 23,398 | 22,110 | 105,347 | 104,638 |
| OTHER (EXPENSE) INCOME | | | | |
| Interest expense | (22,490) | (22,731) | (93,388) | (94,889) |
| Interest and other investment income (loss) | 1,408 | 875 | 2,766 | 1,614 |
| Equity in earnings (loss) of unconsolidated joint ventures | (1,199) | (834) | (6,081) | 18,788 |
| Gain on change of control of interests | - | - | - | 15,347 |
| Realized gains (losses) and unrealized losses on disposition of rental property, net | 4,476 | 41,002 | 2,364 | 109,666 |
| Gain on sale of investment in unconsolidated joint venture | - | - | 23,131 | 5,670 |
| Gain (loss) from extinguishment of debt, net | (182) | (23,658) | (421) | (30,540) |
| Total other income (expense) | (17,987) | (5,346) | (71,629) | 25,656 |
| Net income (loss) | 5,411 | 16,764 | 33,718 | 130,294 |
| Noncontrolling interest in consolidated joint ventures | 153 | 191 | 1,018 | 651 |
| Noncontrolling interest in Operating Partnership | (299) | (1,774) | (2,711) | (13,721) |
| Redeemable noncontrolling interest | (2,683) | - | (8,840) | - |
| Net income (loss) available to common shareholders | \$ 2,582 | \$ 15,181 | \$ 23,185 | \$ 117,224 |
| Basic earnings per common share: | | | | |
| Net income (loss) available to common shareholders | \$ (0.01) | \$ 0.17 | \$ 0.06 | \$ 1.31 |
| Diluted earnings per common share: | | | | |
| Net income (loss) available to common shareholders | \$ (0.01) | \$ 0.17 | \$ 0.06 | \$ 1.30 |
| Basic weighted average shares outstanding | 90,029 | 89,767 | 90,005 | 89,746 |
| Diluted weighted average shares outstanding | 100,468 | 100,575 | 100,703 | 100,498 |

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

| | Three Months Ended | | Year Ended | |
|--|--------------------|------------------|-------------------|-------------------|
| | December 31, | | December 31, | |
| | 2017 | 2016 | 2017 | 2016 |
| Net income (loss) available to common shareholders | \$ 2,582 | \$ 15,181 | \$ 23,185 | \$ 117,224 |
| Add (deduct): Noncontrolling interest in Operating Partnership | 299 | 1,774 | 2,711 | 13,721 |
| Real estate-related depreciation and amortization on continuing operations (a) | 51,619 | 56,874 | 223,763 | 204,746 |
| Gain on change of control of interests | - | - | - | (15,347) |
| Realized gains and unrealized losses on disposition of rental property, net | (4,476) | (41,002) | (2,364) | (109,666) |
| Gain on sale of investment in unconsolidated joint venture | - | - | (23,131) | (5,670) |
| Funds from operations (b) | \$ 50,024 | \$ 32,827 | \$ 224,164 | \$ 205,008 |
| Diluted weighted average shares/units outstanding (c) | 100,468 | 100,575 | 100,703 | 100,498 |
| Funds from operations per share/unit-diluted | \$ 0.50 | \$ 0.33 | \$ 2.23 | \$ 2.04 |
| Dividends declared per common share | \$ 0.20 | \$ 0.15 | \$ 0.75 | \$ 0.60 |
| Dividend payout ratio: | | | | |
| Core Funds from operations-diluted | 40.0 % | 26.9 % | 33.6 % | 27.9 % |
| Supplemental Information: | | | | |
| Non-incremental revenue generating capital expenditures: | | | | |
| Building improvements | \$ 2,842 | \$ 8,975 | \$ 12,778 | \$ 23,364 |
| Tenant improvements & leasing commissions (d) | \$ 4,791 | \$ 5,599 | \$ 22,016 | \$ 40,616 |
| Tenant improvements & leasing commissions on space vacant for more than a year | \$ 2,761 | \$ 14,522 | \$ 21,544 | \$ 64,909 |
| Straight-line rent adjustments (e) | \$ 3,685 | \$ 3,792 | \$ 16,298 | \$ 15,123 |
| Amortization of (above)/below market lease intangibles, net (f) | \$ 2,234 | \$ 772 | \$ 8,252 | \$ 2,260 |
| Non real estate depreciation and amortization | \$ 511 | \$ 395 | \$ 1,742 | \$ 1,112 |
| Amortization of deferred financing costs | \$ 1,150 | \$ 999 | \$ 4,612 | \$ 4,582 |

- (a) Includes the Company's share from unconsolidated joint ventures of \$4,729 and \$5,224 for the three months ended December 31, 2017 and 2016, respectively, and \$20,336 and \$19,174 for the years ended December 31, 2017 and 2016, respectively. Excludes non-real estate-related depreciation and amortization of \$511 and \$395 for the three months ended December 31, 2017 and 2016, respectively, and \$1,742 and \$1,112 for the years ended December 31, 2017 and 2016, respectively.
- (b) Funds from operations is calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" in this release.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (10,439 and 10,490 shares for the three months ended December 31, 2017 and 2016, respectively, and 10,405 and 10,499 for the years ended December 31, 2017 and 2016, respectively), plus dilutive Common Stock Equivalents (i.e. stock options).
- (d) Excludes expenditures for tenant spaces that have not been owned for at least a year.
- (e) Includes the Company's share from unconsolidated joint ventures of \$267 and \$280 for the three months ended December 31, 2017 and 2016, respectively, and \$1,235 and \$791 for the years ended December 31, 2017 and 2016, respectively.
- (f) Includes the Company's share from unconsolidated joint ventures of \$80 and \$96 for the three months ended December 31, 2017 and 2016, respectively, and \$336 and \$381 for the years ended December 31, 2017 and 2016, respectively.

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

| | Three Months Ended | | Year Ended | |
|--|--------------------|----------------|----------------|----------------|
| | December 31, | | December 31, | |
| | 2017 | 2016 | 2017 | 2016 |
| Net income (loss) available to common shareholders | \$ (0.01) | \$ 0.17 | \$ 0.06 | \$ 1.30 |
| Add (deduct): Real estate-related depreciation and amortization on continuing operations (a) | 0.51 | 0.57 | 2.22 | 2.04 |
| Redemption value adjustment to redeemable noncontrolling interests | 0.03 | - | 0.20 | - |
| Gain on sale of investment in unconsolidated joint venture | - | - | (0.23) | (0.06) |
| Gain on change of control of interests | - | - | - | (0.15) |
| Realized (gains) losses and unrealized losses on disposition of rental property, net | (0.04) | (0.41) | (0.02) | (1.09) |
| Noncontrolling interest/rounding adjustment | 0.01 | - | - | - |
| Funds from operations (b) | \$ 0.50 | \$ 0.33 | \$ 2.23 | \$ 2.04 |
| <u>Add/(Deduct):</u> | | | | |
| Acquisition-related costs | - | - | - | \$ 0.03 |
| Dead deal costs | - | - | - | 0.01 |
| Mark-to-market interest rate swap | - | \$ (0.01) | - | (0.01) |
| Net real estate tax proceeds | - | - | - | (0.01) |
| Equity in earnings from joint venture refinancing proceeds | - | - | - | (0.22) |
| (Gain)/Loss from extinguishment of debt | - | 0.24 | - | 0.30 |
| Noncontrolling interest/rounding adjustment | - | - | - | 0.01 |
| Core FFO | \$ 0.50 | \$ 0.56 | \$ 2.23 | \$ 2.15 |
| | 100,468 | 100,575 | 100,703 | 100,498 |
| Diluted weighted average shares/units outstanding (c) | | | | |

- (a) Includes the Company's share from unconsolidated joint ventures of \$0.05 and \$0.05 for the three months ended December 31, 2017 and 2016, respectively, and \$0.21 and \$0.19 for the years ended December 31, 2017 and 2016, respectively.
- (b) Funds from operations is calculated in accordance with the definition of FFO of the National Association of Real Estate Investment Trusts (NAREIT). See "Information About FFO" in this release.
- (c) Calculated based on weighted average common shares outstanding, assuming redemption of Operating Partnership common units into common shares (10,439 and 10,490 shares for the three months ended December 31, 2017 and 2016, respectively, and 10,405 and 10,499 for the years ended December 31, 2017 and 2016, respectively), plus dilutive Common Stock Equivalents (i.e. stock options).

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

| Assets | December 31, | |
|---|---------------------|---------------------|
| | 2017 | 2016 |
| Rental property | | |
| Land and leasehold interests | \$ 786,789 | \$ 661,335 |
| Buildings and improvements | 3,955,122 | 3,758,210 |
| Tenant improvements | 330,686 | 364,092 |
| Furniture, fixtures and equipment | 30,247 | 21,230 |
| | 5,102,844 | 4,804,867 |
| Less – accumulated depreciation and amortization | (1,087,083) | (1,332,073) |
| | 4,015,761 | 3,472,794 |
| Rental property held for sale, net | 171,578 | 39,743 |
| Net investment in rental property | 4,187,339 | 3,512,537 |
| Cash and cash equivalents | 28,180 | 31,611 |
| Investments in unconsolidated joint ventures | 252,626 | 320,047 |
| Unbilled rents receivable, net | 100,842 | 101,052 |
| Deferred charges, goodwill and other assets, net | 342,320 | 267,950 |
| Restricted cash | 39,792 | 53,952 |
| Accounts receivable, net of allowance for doubtful accounts of \$1,138 and \$1,335 | 6,786 | 9,617 |
| Total assets | \$ 4,957,885 | \$ 4,296,766 |
| Liabilities and Equity | | |
| Senior unsecured notes, net | \$ 569,145 | \$ 817,355 |
| Unsecured revolving credit facility and term loans | 822,288 | 634,069 |
| Mortgages, loans payable and other obligations, net | 1,418,135 | 888,585 |
| Dividends and distributions payable | 21,158 | 15,327 |
| Accounts payable, accrued expenses and other liabilities | 192,716 | 159,874 |
| Rents received in advance and security deposits | 43,993 | 46,442 |
| Accrued interest payable | 9,519 | 8,427 |
| Total liabilities | 3,076,954 | 2,570,079 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 212,208 | - |
| Equity: | | |
| Mack-Cali Realty Corporation stockholders' equity: | | |
| Common stock, \$0.01 par value, 190,000,000 shares authorized, 89,914,113 and 89,696,713 shares outstanding | 899 | 897 |
| Additional paid-in capital | 2,565,136 | 2,576,473 |
| Dividends in excess of net earnings | (1,096,429) | (1,052,184) |
| Accumulated other comprehensive income | 6,689 | 1,985 |
| Total Mack-Cali Realty Corporation stockholders' equity | 1,476,295 | 1,527,171 |
| Noncontrolling interests in subsidiaries: | | |
| Operating Partnership | 171,395 | 178,570 |
| Consolidated joint ventures | 21,033 | 20,946 |
| Total noncontrolling interests in subsidiaries | 192,428 | 199,516 |
| Total equity | 1,668,723 | 1,726,687 |
| Total liabilities and equity | \$ 4,957,885 | \$ 4,296,766 |

View original content with multimedia <http://www.prnewswire.com/news-releases/mack-cali-realty-corporation-reports-fourth-quarter-and-full-year-2017-results-300602402.html>

SOURCE Mack-Cali Realty Corporation